

**THE OFFICIAL HISTORY OF
AUSTRALIA IN THE WAR
OF 1914-1918**

VOLUME XI

AUSTRALIA DURING THE WAR

AUSTRALIA DURING THE WAR

BY
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With 67 illustrations

Seventh Edition

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PREFACE

THIS book is a member of a series recording the participation of the Commonwealth of Australia in the Great European War, but it differs from its companion volumes in scope and subject-matter. They are concerned with battles—in Egypt, Gallipoli, France, and Palestine; with the activities of the young Australian navy; with medical services; with the occupation of territory formerly under German government. Substantially the greater part of those works relates to what was done by Australian soldiers, sailors, medical officers, and administrators outside their own country, though on duties vitally affecting Australia and the Empire to which she belongs. This book deals almost entirely with occurrences within Australia. It describes the background—political, social, industrial, economic—against which the war-effort of Australia was projected.

In one sense the book is a necessary supplement to the military volumes; in another sense it may lay claim to a set of interests which are peculiarly its own. The outbreak of the war in 1914 made a powerful emotional appeal to the Australian people. Complete unanimity is never attained among millions on any question which permits shades of difference, but it may safely be said that the response at the beginning of August in that year came as near to unanimity as was humanly attainable. That reaction and the later modifications of opinion, under stress of conflicts of an exceptionally passionate character, dominate the political sections of the book. But the war extended its reach far beyond the sphere of politics in the common acceptation of the word. It touched every phase of the national life. It profoundly affected every industry and occupation. It shook the foundations of finance. It compelled governments to intervene in the production and marketing of metals, wool, wheat, foods of all kinds, and brought merchants and purveyors alike under the surveillance of authority. It materially altered the relations between the dominions and the central government of

the Empire. The ways in which these manifold reactions of the war worked upon the life of Australia, it is part of the purpose of the book to describe.

In one important feature the Australian people differed from all others who participated in the terrific struggle of 1914-18. Their country had never directly known the shock of war. To make plain this point and its significance, the author takes leave to quote two paragraphs from an earlier book; since, as a Greek critic observed, when a writer has once said a thing as well as he can, it is a mistake to say it again differently.¹

Australia is the only considerable portion of the world which has enjoyed the blessed record of unruffled peace. On every other continent, in nearly every other island large in area, "war's red ruin writ in flame" has wrought its havoc, leaving evidences in many a twinging cicatrice. Invasion, rebellion, and civil war constitute enormous elements in the chronicles of nations; and Shelley wrote that the study of history, though too important to be neglected, was "hateful and disgusting to my very soul," because he found in it little more than a "record of crimes and miseries." A map of the globe, coloured crimson as to those countries where blood has flowed in armed conflicts between men, would present a circling splash of red; but the vast island which is balanced on the Tropic of Capricorn and spreads her bulk from the tenth parallel of south latitude to "the roaring forties," would show up white in the spacious diagram of carnage. No foreign foe has menaced her thrifty progress since the British planted themselves at Port Jackson in 1788; nor have any internal broils of serious importance interrupted her prosperous career.

This striking variation from the common fate of peoples is attributable to three causes. First, the development of a British civilisation in Australia has synchronised with the attainment and unimpaired maintenance of dominant sea-power by the parent nation. The supremacy of Great Britain upon the blue water enabled her colonies to grow to strength and wealth under the protection of a mighty arm. Secondly, during the same period a great change in British colonial policy was inaugurated. Statesmen were slow to learn the lessons taught in so trenchant a fashion by the revolt of the American colonies; but more liberal views gradually ripened, and Lord Durham's *Report on the State of Canada* issued in 1839 occasioned a beneficent new era of self-government. The States of Australia were soon left with no grievance which it was not within their own power to remedy if they chose, and virtually as they chose. Thirdly, these very powers of self-government developed in the people a signal capacity for governing and being governed. The constitutional machinery submitted the Executive to popular control, and made it quickly sensitive to the public will. Authority and subjects were in sympathy because the subjects created the authority. Further, there was no warlike native race in Australia, as there was in New Zealand and in South Africa, to necessitate armed

¹ *Terre Napoléon* (1910), pp. 1-3.

conflict. Thus security from attack, chartered autonomy, and governing capacity, with the absence of organised, pugnacious tribes, have combined to achieve the unique result of a continent preserved from aggression, disruption, or bloody strife for over one hundred and twenty years.

To all the European nations which took part in the war it was a new chapter in an old book. The French thirsted for revenge for the humiliation they suffered in 1870-71. The Germans owed allegiance to a State which had been built from the spoils of previous wars. The Austrian Empire traced its origin to wars through which it had expanded, and the possibility of further expansion in the Balkans seemed now to be presented. Italy as an united kingdom was a consequence of wars. Europe seethed with the resurgence of ancient hatreds, compounded of ingredients as unsavoury as those in the hell-broth of the witches in *Macbeth*. But the Australian people kept up no simmering of animosities, nor had cause for any. The call to them was from a different clarion. Their entire endowment of soil, freedom, tradition, language, nurture, and protection came to them as a heritage from the Empire to which they belonged. A menace to that imperial integrity threatened their life; and they took up arms to bear their share, not in refurbishing some antique grudge, or chastising some historic enemy, or acquiring more territory, but in vindicating obligations which were theirs because they were those of the sovereignty under which they had acquired and maintained their political existence.

The aim which has been kept in view in the writing of this volume has been to describe the experience of Australia during the war. History may be presented in many ways—as plain chronicle, as a series of word-pictures, as a philosophical consideration of facts, as a commentary on tendencies, as illustrating theories. The nature of the subject here presented seemed to call for no one of those methods; but rather for treatment as a record of national experience. Here was a country which had never known war; which was suddenly under an obligation to wage war; and which thereby underwent certain unforeseen, acute, and often agonizing ordeals, together with the glory of heroic achievement and the pride of a victorious culmination. How did this country react to those pressures? How did she equip herself for her rôle?

What political and economic developments occurred? Australia had never had to face such an ordeal before; she may never be compelled to sharpen her weapons again, if hopes bear fruit. Whatever her destiny may be, here was a stirring and straining run of experience which required to be studied and recorded; and it is narrative actuated by that guiding principle which is attempted in these pages.

There had to be selection, and the whole story had to be presented with a due regard to proportion. The book was therefore carefully planned and sketched in outline before any of it was written. The design, the architecture, represents what appeared to the author to give a measured and balanced presentation of the subject.

The material studied consisted principally of the manuscripts in the personal collection of Lord Novar, who was Governor-General of Australia during the war period; the official papers of the Governor-General; other manuscripts in the Prime Minister's Department and the Department of External Affairs, Canberra, and at the Victoria Barracks, Melbourne, where the headquarters of the Australian military forces were located during the war; the printed *Parliamentary Papers* of the Commonwealth and States, as far as these were relevant; the *Parliamentary Debates*, which often embodied valuable documents and information; newspaper files; books and pamphlet literature.

The Right Honourable W. M. Hughes was good enough to give the author access to his very valuable collection of papers relating to the Imperial War Cabinet, the British Empire Delegation, and the Paris Peace Conference, which he has preserved at his home at Lindfield. Some of these documents existed in duplicate in the Prime Minister's Department at Canberra. They were collected by Sir John Latham, K.C. (but not then M.P.), while he was one of the secretaries of the British Empire Delegation in Paris. Sir John, having the "tidy mind" of the experienced lawyer, and knowing that the papers would be historically valuable, arranged them in perfect order, and handed them over to the department, where Major F. K. Officer, who was in charge of them, by ministerial permission enabled the author to consult them.

The Governor-General's official papers were originally preserved at Government House, Melbourne, but when the Federal Capital was established at Canberra they were removed thither. At the time when the author was permitted to use them, they had not been arranged systematically. The small, over-worked staff had not had time to attend to them when they were brought along and dumped in a concrete safe at the Executive Council office, some on shelves in no regular order, others piled upon the floor. There were 97 of these leather-bound folios pertaining to the war period. Mr. J. H. Starling, then secretary to the Executive Council, was in charge of them, and the author is greatly indebted to him for his consideration in giving free access to them, when it was found that handing out two or three folios at a time was an impediment to research. Until a late period of the war it was the practice for all telegrams from the Secretary of State to be sent to the Governor-General, who at once forwarded copies to the Prime Minister, the originals being preserved in the Governor-General's files. Consequently the very important documents relating to the outbreak of war and the negotiations relative to a large range of subjects, are contained in these folios. Messages from the Prime Minister to the Secretary of State were also forwarded through the Governor-General, whose files contain the original documents. In a few instances there are pencilled comments in the Governor-General's handwriting, these being of considerable interest.

The private papers of Lord Novar, of which liberal use has been made in this volume, were placed at the disposal of the author in the following manner. A point had arisen about which Lieutenant-General Sir Brudenell White had a clear recollection, but confirmation of his opinion could not be found among the official papers so far seen. The question was afterwards cleared up, and General White was shown to have remembered accurately. But, when the author received the proof sheets of *Chapter I.*, there was still a doubt. Being then in New York, he sent a copy of the proof to Lord Novar, hoping that he would throw light upon it. He wrote from Raith, his Fifeshire residence, on 30th January, 1934:

I am glad to get your address, and to know when you will be in London. I asked Australia House to look out for you. It struck me after you left us that I ought to have got my Australian papers

together and submitted them to you. Anything I have is at your disposal. If you could come here in May I would have them laid out for you. If not, I would bring a large box of them to London in April. So if you let me know what you wish on arrival, that will do.

At this time, that there were other Governor-General's papers, his personal possessions, apart from the large official collection at Canberra, was not known in Australia. Lord Novar died while the author was crossing the Atlantic. On his sick bed he dictated to a typist some notes concerning points of interest within his recollection. The Viscountess Novar, in most helpful spirit, sent an invitation to come to Raith and examine the papers, in accordance with the wish her husband had expressed; and also kindly permitted a very large number to be taken to London to be copied.

These manuscripts proved to be extremely numerous in quantity, and of first class importance for an understanding of Australian conditions during the war. They consisted of three classes of documents: (a) letters from the Governor-General to His Majesty the King, or to his private secretary, Lord Stamfordham, for submission to the King, and replies to them; (b) letters from the Governor-General to the four Secretaries of State who held office in Great Britain during the war, and their replies; (c) miscellaneous correspondence, including letters from Lord Rosebery and a large number of personal friends. No restriction was placed upon the use of these papers for the purpose of this volume. The author was trusted to exercise such prudence as good taste and common sense dictated concerning correspondence which contained many references to living people, and was throughout, on the Governor-General's part, always candid and critical, lively and informative. The letters to the King being copyright, permission to use them had to be obtained. His Majesty's private secretary, Colonel Sir Clive Wigram (now Lord Wigram), was prompt and most sympathetic in signifying approval of the citations it was proposed to make.

A large quantity of documents relating to various aspects of the war exists at the Victoria Barracks, Melbourne. The papers were stored without merciful thought for the anxieties of any historical investigator who needed to consult them. The author was much indebted to Mr. A. J. Withers, an officer with a flair for finding the particular bundle of

papers that would furnish an answer to a troublesome question. If a topic was mentioned about which it would be desirable to obtain information, Mr. Withers would generally disappear into the vaults and emerge with the right files.

It is regrettable that in some instances documents relative to the war have suffered destruction. Departments which are cramped in respect to space are often glad to get rid of files which are no longer of current use; but a protest is justifiable against the indiscriminate burning of papers without an effort to determine whether any of them are of permanent value. Thus, the whole of the papers relating to the extremely interesting experiments in price-fixing were destroyed in November, 1926, "under ministerial sanction."

In a book written to scale, it was not possible to discuss every aspect of life, even for so short a period as five years; and it was equally beyond the range of permitted dimensions to treat exhaustively the subjects which are considered. A complete book could be written on each of the topics to which a chapter is here allotted. There had to be condensation. But any capable person, who may be attracted to research in one of the fields here traversed, will not find that he is a mere gleaner picking up a few grains left on the ground. Sometimes a phase, which might have admitted of interesting expansion, has had to be left with perhaps a hint that there is more to be said.

Perhaps no kind of historical research is so onerous as that which necessitates the examination of newspaper files. Heavy volumes, awkward in size, containing a mass of matter totally irrelevant to the quest being pursued, printed on fragile paper with fading ink, try the patience and the eyesight of the investigator. This book has involved prolonged work on newspaper files for every State in the Commonwealth. If there had been such things in the fourteenth century, Dante would surely have established a library of them in his Purgatorio, and perhaps would have represented them as being eternally read by Ubaldino—he who "ground his teeth on emptiness." Many events which are not to be traced elsewhere, however, are recorded in these leviathan tomes, and in some instances documents of importance which were not presented to Parliament were given by Ministers to newspaper

representatives for publication. This part of the work would have been immensely more laborious than it was, but for the aid of the excellent *Argus Index*. For the period in question, the Melbourne *Argus* was the only Australian newspaper which published an index. Use of it enabled events in all parts of the Commonwealth to be traced comparatively easily; for a small paragraph published in *The Argus*, and indexed, would give the date of an occurrence in another State, whereupon the file of a newspaper published in that State could be consulted, and fuller details promptly found. The newspaper room of the Melbourne Public Library contains a comprehensive collection of bound files of inter-state newspapers and journals, of which diligent use has been made. The author is much obliged to the willingness and courtesy of the officers of that branch of the Melbourne Library for prompt access to the volumes so frequently required.

It is not intended to give here a complete list of the many persons who have very kindly given hints or information by letter or in conversation. To Sir Robert Garran the author is indebted in a peculiar degree; his unrivalled knowledge of the subject matter as a whole placed him in a quite exceptional position to give the assistance of which advantage has been freely taken throughout this work, which he read in typescript. Others like the Hon. J. Hume Cook, Sir John Higgins, Sir Lennon Raws, Mr. H. A. Pitt, and Mr. G. F. Martin have supplied authentic particulars concerning matters of which they possessed intimate knowledge; or, like Mr. C. Judd in connection with the wheat pool, Miss Philadelphia Robertson with the Red Cross, Sir Henry Barraclough with the Australian munition workers, and Mr. J. S. Duncan with the coal control, have lent valuable documents. Conversations with men who were closely connected with important events, like the Rt. Hon. W. M. Hughes, the Rt. Hon. Sir John Latham, the Rt. Hon. Sir George Pearce, General Sir John Monash, Sir Nicholas Lockyer, Major E. L. Piesse, and (by the general editor of the series) with Mr. H. E. Boote (Editor of *The Australian Worker*), have been of inestimable value. Critical examination on some points, about which no other man could have been so confidently consulted, was kindly given by Lieutenant-General Sir Brudnell White. The writer

has also had the advantage of reading an unpublished thesis on repatriation by Mr. L. J. Pryor.

To the general editor of the series the author is especially indebted for much necessary amplification of the work, particularly in the final stage of its preparation, when the writer was unavoidably absent from Australia. The chapter on Australian trade during the war is entirely Dr. Bean's, as are many other less extensive but important additions. The diary kept by him when Official War Correspondent has furnished valuable particulars concerning the shipping policy of the Prime Minister, the Peace Conference, and several other matters of high policy. In certain passages in which the narrative ventures into the front-line areas, the conclusions are his. He would have liked the book to be finished by an earlier date, but he understood the difficulties in which it was written, and has been throughout full of encouragement.

In the checking of thousands of facts, drawn from both official and unofficial sources, Mr. J. Balfour, of the Official Historian's staff, has performed a task of much historical importance, and the short biographical footnotes and the index are also mainly his. Mr. Balfour's work, in common with that of the author, has been facilitated by the help cheerfully given by the staffs of the Mitchell Library, the Sydney Public Library, the Australian War Memorial, and the Departments of the Prime Minister, the Treasury, Defence, the Attorney-General, and Trade and Customs.

If an attempt were made to compile a list of those who have answered questions on particular subjects, it would inevitably be incomplete, and the author would regret omissions far more than would those who were accidentally overlooked. It must suffice to say that in no instance has a request for information, or explanation, been met in any other spirit than one of interest in this work and desire to be of assistance, and the help given is gratefully acknowledged.

Originally, the writer designated for this book was the late Mr. T. W. Heney, formerly editor of *The Sydney Morning Herald*. Mr. Heney worked at it for some years, when his health broke down. The task was then entrusted to the author who is responsible for the book as it appears. The pressure of other duties prevented full time being given to

study of the material and writing, and eight years have elapsed since it was commenced. But, the author is satisfied that, if he had been able to give undivided attention to the work, it could not have been completed in less than two or three years, and probably Mr. Heney's endeavour to achieve speed in finishing it had something to do with his last illness. The whole of his manuscript, amounting to about 350 folio pages of typescript, has been carefully read. The book as it stands, however, has been designed on a different plan from that adopted by Mr. Heney, and the material has been freshly studied. Whatever faults the book may possess, therefore, are in no way attributable to him. On the other hand, his work elucidated many points, and on some he wrote with personal knowledge. Where such was the case his observations have been incorporated in the book and acknowledged.

In a work dealing with matters with which many living persons were intimately acquainted it cannot be expected that the presentation will meet with unanimous approval. Even when facts are not disputed, some may desire that they should have been expressed differently. Controversies which have had to be described were fiercely waged, and controversialists like to have their case stated in its strongest terms. Study of historical criticism, indeed, may convince many readers that what is commonly meant by "impartial history" is history which is partial to the point of view of those who use the term. No more is asked from the reader of this book than a recognition that the aim has been to state the case of protagonists from their own explanations of their views. Final judgments are not attempted, and would be out of place in this volume. The reader, whether contemporary or future, is, however, entitled to know not only what was done but what was thought on the vexed questions of the crowded, tragic years. The author believes that he has spared no effort to elucidate conflicting opinions, but he has not considered it part of his duty to decide between them.

E. S.

THE UNIVERSITY,
MELBOURNE.

1st July, 1936.

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BOOK I—AUSTRALIA AT WAR

CHAPTER I

THE OUTBREAK OF WAR

ON the 30th of June, 1914, the Australian daily newspapers contained cablegrams announcing the startling fact that two days previously the heir to the throne of the Austro-Hungarian empire, the Archduke Franz Ferdinand, together with the Archduchess, had been assassinated at Sarajevo, the capital of Bosnia, by a Serbian political desperado. The news was, of course, published under large headlines in the journals. Obviously an important event in world politics had occurred. Some serious consequences might be expected to follow. But nobody in Australia dreamt that this crime committed in the Balkans was of momentous concern for this country. If anyone had suggested that nearly 60,000 men in the prime of life and physical capacity were marked for death, and that 160,000 more would suffer maiming, as a consequence of what had happened at Sarajevo, his prediction would have seemed too absurd for credence. Where was Sarajevo? It is likely that many Australians had never even heard of the place, though memories of a school geography lesson, or study of the map of Europe, may have brought the name to the minds of a few. Shakespeare did not know where Bohemia was: in a stage direction at the head of Act 3, Scene 3, of *The Winter's Tale*, he referred to it as "Bohemia, a desert country near the sea," though it is an inland country with no seaboard whatever. Where Shakespeare tripped we shall intend no reproach if we assume that Australians were not very well informed about a remote town in a small Balkan state.

If we turn over the files of newspapers for the period immediately following the murder of the Archduke, we find

that there was nowhere in Australia any premonition of impending calamities. *The Sydney Morning Herald* and the Melbourne *Argus* on June 30th published leading articles deploring the assassination. The *Herald* considered that "the political effect of the vile crime which has inflicted yet another tragedy upon the unlucky house of Hapsburg can as yet be scarcely judged." The *Argus* felt that "the position cannot but fill the minds of European statesmen with troubled thoughts." But the Melbourne *Age* made no comment upon the tragedy; that journal was busy with a series of vigorous attacks upon the Defence Department, demanding retrenchment. There had been an "orgy of military expenditure," which was wholly unnecessary. The Australian militia and cadet force was sufficient for all contingencies. On July 4th the *Age* said:

We have no foreign armies on our borders, armed to the teeth and awaiting an opportunity to spring upon us. . . . If a handful of Boer farmers, ignorant as babes of military discipline, could withstand the whole might of Britain for two years, we can rely with perfect confidence on the services of a young nation sedulously taught for seven years all the essentials of military craft. The cadet system is exactly what we want, and our need of any more extensive and ambitious scheme is undiscernible and non-existent

In a few days interest in the Austro-Hungarian situation had so far dwindled that news about it appeared under small headlines. Other topics emerged. The local political combat evoked passionate appeals. We turn over the pages of a few files of important daily journals to learn what was occupying the minds of the people. In one leading article we read: "The fundamental difference between the policies of Liberalism and Labour Socialism"—and so forth; we can guess the rest. To the full length of a column and a quarter was chronicled the fact that the Australian tennis champion, Mr. Norman Brookes, had just beaten the German tennis champion, Froitzheim, at Wimbledon (July 1st). This was only a contest with rubber balls across a net, but a symbolist might find the incident significant; and the Australian public at the time thought it a striking event, judging from the space devoted to it. Then, an Australian archbishop was giving his views on the theory of evolution, and theological discussions are, of course, always amusing; almost as good as sport. We

turn over more pages; there is news, on July 4th, of the death of Joseph Chamberlain. He was a great imperialist, and people recalled his tough fight with Barton,¹ Deakin,² and Kingston³ over the right of appeal to the Privy Council. We realise, as we scan the files, that our politicians were "going it" hammer and tongs, all over the country; for a general election was in progress, and popular leaders were very busy with the rattling tit-for-tat of party controversy. But, as yet, our guides had nothing more to say about European affairs. They were remote, foreign, unconnected with local interests. If we had only known, the chancelleries were at that time spinning red threads of destiny and the war lords assuring themselves as to the sufficiency of the ammunition-supplies. Soon the challenge would come, and Australia would awaken to the immense and tragic fact that she stood upon the threshold of a new era in her history.

So far, however, there was nothing to excite alarm. It was July. The almond trees, heralds of the coming spring while winter still blanched the grass with morning frosts, were white with blossom. At Mildura and Renmark miles of orange groves glowed yellow, with their globes "blooming ambrosial fruit of vegetable gold." The peach trees and the apple orchards were beginning to bud. Nearly seventy-eight million sheep and eleven million head of cattle were nibbling the herbage, and the owners of these flocks and herds had something else to think about than foreign politics; for the season had not been good, and gave no promise of improvement. The Commonwealth Statistician, so chary of adjectives, said that it was "dry and disastrous." In the wheat belt there was the largest area under crop that Australia had ever known—9,651,000 acres. Drought conditions made the farmers uneasy; but still, work had to be done, and the optimism of the "man on the land" kept him in good hope.

¹ Rt. Hon. Sir Edmund Barton, G.C.M.G. Prime Minister of Australia, 1901/3; Senior Puisne Judge, High Court of Australia, 1903/20; of Sydney; b. Glebe, N.S.W., 18 Jan., 1849. Died 7 Jan., 1920.

² Hon. Alfred Deakin. Prime Minister of Australia, 1903/4, 1905/8, and 1909/10. Chairman of Royal Commn. on Food Supplies and on Trade and Industry, 1914/16. Barrister-at-law; of South Yarra, Vic.; b. Fitzroy, Vic., 3 Aug., 1856. Died 7 Oct., 1919.

³ Rt. Hon. C. C. Kingston. Premier of S. Aust., 1893/9; C'wealth Minister for Trade and Customs, 1901/3. b. Adelaide, 22 Oct., 1850. Died 11 May, 1908.

Why, indeed, should there be any alarm? There had been rumours of wars before, but nothing in particular had happened. It might be so again. It was a pity that those people in central Europe could not learn to conduct their politics without murder. The papers said that the dead Archduke was a decent sort of man; what a shame to shoot him because he was born to be the heir to an autocratic monarchy! There was something to be said for democratic methods after all, though they were the cause of a terrible lot of talk, especially during elections.

So the average Australian might have commented as he went about his business. That looming imminence of war which like a great black cloud had hung over Europe for many years did not mean a dreadful possibility to him. Australia from the foundation of settlement just over a century and a quarter before this fateful year had never been seriously menaced. She was the only one of the continents wherein the population was homogeneous. No feuds arising from clashing racial elements had ever troubled her peace. In comparison with other countries she had basked in unruffled security. There was a period, at the beginning of the nineteenth century, when it seemed that the possession of the entire continent by British people might be challenged, but the danger passed almost as soon as it was mooted. A few "war scares" aroused mild excitement from time to time. During the Crimean War there was a temporary fear that the Russians might swoop down upon one of the coastal cities, and some volunteer regiments were hastily enrolled. Their training provided mild physical exercise and taught the use of the rifle. But it was always apparent that a land two-thirds as large as Europe could not be held by military means by a sparse and scattered population. The integrity of Australia was guaranteed by the strength of the British Navy. Every citizen knew that the ramparts of his home and interests were afloat, and that as long as the fleet maintained the security of the seas his country and his commerce alike were safe.

A comparison between the history of federations in other parts of the world, and that of Australia, presents a striking illustration of the peaceful progress which had characterised

the formation of Australian institutions. It has been the rule throughout history that federations have emanated from wars. The unity of the several states into which the Italian peninsula was divided resulted from a series of wars, with which Cavour, Garibaldi, and Victor Emmanuel of Sardinia were associated. The German Empire, really a federation of independent principalities, emanated from the Austro-Prussian War of 1866 and the Franco-Prussian War of 1870. The United States of America came into being as a consequence of the War of Independence, which was concluded in 1783. The Canadian confederation sprang from the insurrections led by Papineau and William Lyon Mackenzie; not from these alone, it is true, but they were part of the process, and Lord Durham, when he went to Canada on his mission of pacification in 1838, said, in a famous phrase, that he found "two nations warring in the bosom of a single state." When the Spanish-American colonies snatched their independence by war in the first quarter of the nineteenth century, it was the ideal of Bolivar the liberator to weld them into a federal republic; and, though his plans perished with him, the instance is valid as another illustration of the point under consideration. The South African union followed upon, and was largely the consequence of, a stubbornly waged war. Equally good examples can be cited from the history of the ancient world, notably the case of the Achaian League, of which a graphic account is given in Freeman's *History of Federal Government in Greece and Italy*.

But the Australian federal movement did not emanate from war. It grew without such impulsion. It is true that one motive which influenced the advocates of the federal cause was that of defence. Obviously that consideration had weight. But prudent precaution was different from the driving force of actual war; and it is that difference which denotes the making of the federation of Australia as arising from causes unlike those which produced other important federations. A people whose form of government was evolved in peace, who had never felt the shock of war upon their soil, and who were geographically remote from the storm-centres of the earth, were not attuned to the real significance

of the fermentation which was at this time proceeding in Vienna, Berlin, St. Petersburg, Paris, London, Brussels, and Belgrade.

II

But towards the end of July the situation changed rapidly. It became apparent that Austria would be satisfied with nothing short of the military punishment of Serbia, with the probable extinction of her independence. When the furies were let loose what limits could be set to the disasters they would bring upon the world? From July 28th, when the news was published of peremptory demands made by the Austro-Hungarian Government, the resentful attitude of Russia, and the German backing of Austrian belligerency, the cablegrams in the newspapers day by day chronicled a succession of events indicating the approach of a general war. The British Foreign Secretary was endeavouring to arrange a conference; there was a gleam of hope in that; but the great Powers were mobilising their armies, there was military activity on the German frontiers, the British Navy had been placed in a state of preparedness for war, a financial panic occurred in New York, British consols fell. By the end of the month war conditions existed on the frontiers of Russia, Germany, France, and Austria; and during the ensuing three days the vital question was whether Great Britain would be able to maintain neutrality. The German invasion of Belgium put that possibility out of the question. By August 3rd there was an extreme probability that the British Empire would be at war within a few hours; at 11 p.m. on August 4th war was declared.

The first official warning to Australia came in the form of a cablegram in cipher from the Imperial Government, despatched from London at 6.35 p.m. on July 29th. It was intended to read, when deciphered:

See preface defence scheme. Adopt precautionary stage. Names of powers will be communicated later if necessary.

The message reached Sydney on July 30th at 3 p.m. It was at once sent to the Governor-General, Sir Ronald Munro-

Ferguson,⁴ who happened to be then in Sydney⁵, as were Senator Millen,⁶ the Minister for Defence, and Mr. Kelly,⁷ Honorary Minister. A copy was handed to the Minister for Defence, and another was sent by post to the Prime Minister's secretary.

The message meant that a number of preliminary steps, laid down in a scheme prepared by the Committee of Imperial Defence in 1907, should be taken at once, and the chief officers of the Defence Department in Melbourne were acutely aware of this; but in the cablegram as first deciphered the code word for "adopt" had been rendered "adoption." The message thus seemed to be merely an answer to some request for information, and Senator Millen was quite unaware of what it implied or required. It had, however, gone out to all parts of the British Empire, and had thus reached the British admiral commanding on the China Station, and the senior naval officer in New Zealand waters; and both of these repeated it to the commander of the Australian Squadron, Rear-Admiral Patey.⁸ From him the Naval Board in Melbourne learnt of it shortly after 5 p.m. on July 30th, and at once asked Senator Millen for leave to distribute the Australian ships according to the prearranged plan. He agreed, and by 10.30 p.m. the naval measures were in full train.

Still the Minister took no steps to make the military arrangements. Next day (July 31st) the Governor-General received from London a request asking that the Australian ships should take up their preliminary stations. A copy of this telegram also was sent to the Prime Minister in cipher, and a second copy handed to Senator Millen. Millen had already asked for the naval war orders to be brought from

⁴ Rt. Hon. Viscount Novar, K.T., G.C.M.G. Governor-General of Australia, 1914/20; Secretary for Scotland, 1922/24. Of Raith and Novar, Scotland; b. Raith, 6 March, 1860. Died 30 March, 1934.

⁵ The Governor-General was not staying at Government House, Sydney, which had lately reverted to the possession of the State Government, but at a large suburban residence, "Yaralla," lent by Miss (afterwards Dame Eadith) Walker. His Official Secretary, Major (later Sir George) Steward, maintained a temporary office at "Craignish," Macquarie-street, and it was he who received and deciphered the message.

⁶ Hon. E. D. Millen. M.L.A., N.S.W., 1894/98; M.L.C., N.S.W., 1899/1901; Member of C'wealth Senate, 1901/23. Minister for Defence, 1913/14, Repatriation, 1917/23; b. Kent, Eng., 1862. Died 14 Sept., 1923.

⁷ Hon. W. H. Kelly. M.H.R., 1903/19; Hon. Minister, and Actg. Minister for Home Affairs, 1913/14. Of Sydney; b. Sydney, 1 Dec., 1877.

⁸ Admiral Sir George Patey, K.C.M.G., K.C.V.O.; R.N. Commanded Aust. Squadron, 1913/16; b. Montpellier, near Plymouth, Eng., 24 Feb., 1859. Died 5 Feb., 1935.

Melbourne, and he this day telegraphed to the acting Chief of the General Staff, Major White,⁹ directing him to bring over the defence scheme for Australia. White, who had heard—apparently through the Navy—of the issue of the warning message, arrived in Sydney on August 1st and informed Millen that the words “see defence scheme, adopt precautionary stage” were a prearranged signal that war was probable. This signal, he pointed out, meant, among other things, that certain agreed precautionary steps should be immediately taken to protect Australian ports. The matter, he urged, did not admit of delay. The Minister, however, was unwilling to order these steps without consulting the Prime Minister, who was away from Melbourne, busy with political engagements. It was not until the Attorney-General, Sir William Irvine¹⁰ reached Sydney from Queensland, and was informed by White that the warning telegram would have been sent throughout the British Empire and that the “precautionary stage” was probably already in execution in all parts of the Empire except Australia, that Millen, on his colleague’s advice, agreed to give the necessary orders, and rely upon the Prime Minister’s afterwards confirming what had been done. This order was issued by him on August 2nd.

As the Prime Minister had not summoned a cabinet meeting, the Governor-General had thought it advisable to suggest to him that he should do so; and he sent the following telegram, in cipher, to Melbourne on the 31st:

Would it not be well, in view of latest news from Europe, that Ministers should meet in order that Imperial Government may know what support to expect from Australia?

When this message reached him Mr. Cook¹¹ was at Ballarat, where, on the previous night, he had delivered an address.

⁹ General Sir C. B. B. White, K.C.B., K.C.M.G., K.C.V.O., D.S.O., p.s.c. G.S.O. (1), 1st Aust. Div., 1914/15; B.G.G.S., 1 Anzac Corps, 1915/18; M.G.G.S., Fifth British Army, 1918; C.G.S., Australia, 1920/23 and 1940; Chairman, Commonwealth Public Service Board, 1923/28. Of Melbourne. b. St. Arnaud, Vic., 23 Sept., 1876. Killed in aeroplane crash, 13 Aug., 1940.

¹⁰ Hon. Sir William Irvine, G.C.M.G. M.L.A., Vic., 1894/1906; Member of C’wealth House of Reps., 1906/18. Premier of Victoria, 1902/4; C’wealth Attorney-General, 1913/14; Chief Justice of Victoria, 1918/35, Lieut.-Governor since 1918. Of Melbourne, b. Newry, Ireland, 6 July, 1858.

¹¹ Rt. Hon. Sir Joseph Cook, G.C.M.G. M.L.A., N.S.W., 1891/1901; Member of C’wealth House of Reps., 1901/21. Prime Minister of Australia, 1913/14; Minister for Navy, 1917/20; Treasurer, 1920/21; High Commissioner, London, 1921/27. Of Bellevue Hill, N.S.W.; b. Silverdale, Staffs., Eng., Dec., 1860.

But he had not the key to the cipher with him, and telegraphed to Melbourne that he could not decipher it. When on August 1st he learnt the nature of the telegram, he gave instructions for a cabinet meeting to be summoned for Monday, August 3rd. The Governor-General, accompanied by Sir William Irvine, Senator Millen, and Major White, left Sydney for Melbourne on Sunday, August 2nd.

Earlier that day, at 10.30 a.m., the Prime Minister sent a message to the Defence Department directing the responsible officers to meet him at his office, Treasury Buildings, Melbourne, to discuss with him "arrangements for putting the precautionary stage into operation." Apparently he now recognised that the cablegrams which had been received were of great urgency, and, in the absence of the Minister for Defence, he wanted to see precisely how matters stood. The following officers attended—Mr. Trumble,¹² acting secretary for Defence; Colonel Dangar,¹³ Chief of Ordnance; Lieutenant-Colonel Forsyth,¹⁴ Quartermaster-General; Major Glasfurd,¹⁵ Director of Military Training; Major Reynolds,¹⁶ officer-in-charge of military operations; Mr. Laing,¹⁷ finance member of the military board; Captain Griffiths,¹⁸ secretary of the board; Colonel Wallace,¹⁹ commandant, 3rd Military District;

¹² T. Trumble, Esq., C.M.G., C.B.E. Secretary, Department of Defence, 1914/27; Official Secretary in London, for Australia, 1927/31; Defence Liaison Officer, London, 1931/32. Of Melbourne; b. Ararat, Vic., 9 April, 1872.

¹³ Brig.-Gen. H. W. Dangar. Chief of Ordnance, Australia, 1914/19. Officer of Aust. Permanent Forces; of Sydney and Melbourne; b. Sydney, 11 April, 1871. Died 16 Dec., 1923.

¹⁴ Maj.-Gen. J. K. Forsyth, C.M.G. Quartermaster-General, Australia, 1914. 1919/22; commanded 4th L.H. Regt., A.I.F., 1914/15, and Inf. Bde., 1915/16. Of Fortitude Valley, Q'land; b. Brisbane, 9 Feb., 1867. Died 12 Nov., 1928.

¹⁵ Brig.-Gen. D. J. Glasfurd, p.s.c. Director of Military Training, Australia, 1912/14; G.S.O. (2), 1st Aust. Div., 1914/15, G.S.O. (1), 1915/16; commanded 12th Inf. Bde., 1916. Officer of British Regular Army; of Edinburgh; b. Matheran, India, 23 Nov., 1873. Died of wounds, 12 Nov., 1916.

¹⁶ Col E. H. Reynolds, O.B.E., p.s.c. Director of Military Operations, Australia, 1914/15; Staff Officer for Aviation, A.I.F. 1917/18. Officer of Aust. Permanent Forces; of Sydney; b. Paddington, N.S.W., 20 Oct., 1878.

¹⁷ Col. J. B. Laing. Finance Member, Aust. Military Board, 1910/15; Director of Naval and Military Audit, 1916/19. Of South Yarra, Vic.; b. (of Scottish parents) at Rochester, New York, U.S.A., 25 Aug., 1858. Died 24 Nov., 1919.

¹⁸ Brig.-Gen. T. Griffiths, C.M.G., C.B.E., D.S.O. Secretary, Aust. Military Board, 1909/14; D.A.A. and Q.M.G., 1st Aust. Div., 1915, A.A.G., A.I.F., 1916; Commandant, Admin. H.Q., A.I.F., London, 1917/18, 1919, Administrator of German New Guinea, 1920/21, and 1932/34; Administrator of Nauru 1921/27; Member of War Pensions Entitlement Appeal Tribunal, 1929/32. Of Melbourne; b. Presteigne, Radnor, Wales, 29 Sept., 1865.

¹⁹ Col R. Wallace. Commandant, 3rd Military District, 1914/15. Officer of Aust. Permanent Forces, of Melbourne, b. Ballarat, Vic., 15 March, 1864. Died 7 Oct., 1915.

and Major Harrison,²⁰ general staff officer, 3rd Military District. That meeting is described in *Chapter VI*. The Prime Minister eventually obtained touch by telegram with Senator Millen in Sydney, and learnt of his provisional decision. From that day, therefore, Australia was standing on the defensive, with vigilance exercised at ports from Thursday Island round the continent to Darwin.

The Commonwealth Cabinet at this date consisted of the following members:

Mr. Joseph Cook	Prime Minister and Minister for Home Affairs.
Sir John Forrest ²¹	Treasurer.
Sir William Irvine	Attorney-General.
Senator E. D. Millem	Minister for Defence.
Mr. P. M. Glynn ²²	Minister for External Affairs.
Mr. L. E. Groom ²³	Minister for Trade and Customs.
Mr. Agar Wynne ²⁴	Postmaster-General.
Senator J. H. McColl ²⁵	Vice-President of the Executive Council.
Mr. W. H. Kelly	Honorary Minister.
Senator J. S. Clemons ²⁶	Honorary Minister.

Five of these Ministers were absent from the Cabinet meeting, namely, Sir John Forrest, who was in Western Australia; Mr. Groom and Mr. Kelly, who were in Queensland; Mr. Glynn, who was in Adelaide; and Mr. Agar Wynne,

²⁰ Brigadier E. F. Harrison, p.s.c. Director of Military Training, Australia, 1914/15; Director of Military Art, Royal Military College, Duntroon, 1915/17; GSO (1), 3rd Aust Div, 1918/19, Commandant R.M. College, 1929/31 and 1940; M.H.R. (Bendigo), 1931/37. Of Melbourne and Sydney; b. Sydney, 16 April, 1880.

²¹ Rt. Hon. Lord Forrest, G.C.M.G. Premier of W. Aust., 1890/1901; C'wealth Minister for Defence, 1901/3, for Home Affairs, 1903/4, Treasurer, 1905/7, 1909/10, 1913/14, 1917/18; b. near Bunbury, W. Aust., 22 Aug., 1847. Died 2 Sept., 1918.

²² Hon. P. M. Glynn, M.H.A., S. Aust., 1887/90, 1895/6, 1897/1901; Member of C'wealth House of Reps., 1901/19; Attorney-General, 1909/10; Minister for External Affairs, 1913/14, Home and Territories, 1917/20; b. Gort, Co. Galway, Ireland, 25 Aug., 1855. Died 28 Oct., 1931.

²³ Hon. Sir Littleton Groom, K.C.M.G. M.H.R., 1901/29 and since 1931. Minister for Home Affairs, 1905/6; Attorney-General, 1906/8, 1918/21, 1921/25; Minister for External Affairs, 1909/10, Trade and Customs, 1913/14, Works and Railways, 1918/21; Speaker, House of Reps., 1926/29; b. Toowoomba, Q'land, 22 April, 1867. Died, 6 Nov., 1936.

²⁴ Hon. Agar Wynne, M.L.C., Vic., 1888/1903; Member of C'wealth House of Reps., 1906/14; M.L.A., Vic., 1917/20, Postmaster-General, 1913/14. Solicitor and pastoralist; of Nerrin Nerrin, Vic.; b. London, 15 July, 1850. Died 12 May, 1934.

²⁵ Hon. J. H. McColl, M.L.A., Vic., 1886/1901; Member of C'wealth House of Reps., 1901/6; Member of Senate, 1906/14. Of Bendigo, Vic., b. South Shields, Eng., 31 Jan., 1844. Died 20 Feb., 1929.

²⁶ Hon. J. S. Clemons. Member of C'wealth Senate, 1901/14. Barrister-at-law; of Launceston, Tas.

who was at sea, on his way to a postal congress at Madrid. The Cabinet sent for Colonel Sellheim,²⁷ the Adjutant-General, Major White, acting Chief of the General Staff, and Mr. Macandie,²⁸ Secretary to the Naval Board, and consulted with them. It was within the knowledge of ministers at this time that Canada had offered to raise a large force—the report that 30,000 men had been offered was inaccurate, although the actual offer, 20,000, was quickly increased to 33,000. On July 31st the Premier of New Zealand, Mr. Massey,²⁹ had stated that his Government would consider the situation, and, if it should appear to be necessary, would ask the people and Parliament to do their duty by offering the services of an expeditionary force. The Australian Government was not less eager, though a little late. It was certain that the people of the country would give their enthusiastic support to a policy of military co-operation. Mr. Cook and his colleagues never had to come to a decision in which there was less doubt as to a correct interpretation of the resolve of Australia.

The Cabinet meeting was a long one. It was concerned wholly with the question of despatching troops. At the conclusion of the meeting two cablegrams were sent to the Secretary of State for the Colonies. The first was in the following form:

The Government is prepared to place the vessels of the Australian Navy under the control of the Admiralty. The Government is further prepared to despatch an expeditionary force of 20,000 men of any suggested composition to any destination desired by the Home Government. Force to be at complete disposal of Home Government. Cost of despatch and maintenance will be borne by this Government. Australian press notified accordingly.³⁰

The second cablegram to the Colonial Secretary inquired “if an official communication could be made stating the present position in Europe as to a state of war or peace?”

²⁷ Major-Gen. V. C. M. Sellheim, C.B., C.M.G., Adjutant-General, Australia, 1914, 1917/24; Commandant, Admin. H.Q., A.I.F., 1915/16; Administrator of Norfolk Island, 1926/28; of Brisbane; b. Sydney, 12 May, 1866. Died 25 Jan., 1928.

²⁸ Paymaster-Commr. G. L. Macandie, C.B.E.; R.A.N., Secretary, Aust. Navy Office, since 1914; of East Kew, Vic.; b. Brisbane, 26 June, 1877.

²⁹ Rt. Hon. W. F. Massey, Prime Minister of New Zealand, 1912/25. Farmer; of Auckland, N.Z.; b. Limavady, Co. Derry, Ireland, 26 March, 1856. Died 10 May, 1925.

³⁰ The original form of this message was drafted by Major White. Additions to it were made by the Cabinet.

To the first of these messages the Secretary of State replied, on August 4th:

Referring to your telegram 3rd August His Majesty's Government greatly appreciate prompt readiness of your Government place naval forces of Commonwealth at disposal of Admiralty, and generous offer to equip and maintain expeditionary force. Will telegraph later on latter point.

This message was sent from London at 1.45 p.m. At 3.5 p.m. another cablegram was despatched by the Secretary of State:

Though there seems to be no immediate necessity for any request on our part for an expeditionary force from Australia, I think that your Ministers would be wise, in view of their generous offer, to take all necessary administrative steps by which they would be enabled without delay to provide such a force in case it should hereafter be required.

The second message seems to indicate that there was a lingering hope in the mind of the Secretary of State, Mr. Lewis Harcourt,³¹ that war might be averted; though on the morning of that day the Foreign Secretary, Sir Edward Grey,³² had telegraphed to Berlin protesting against the "flagrant violation of the law of nations" committed by Germany in invading Belgium, and later on the same day had telegraphed the British Government's ultimatum instructing the British ambassador to ask for his passports unless satisfactory assurances were given within twelve hours. Those assurances were not forthcoming, and in accordance with the terms of the ultimatum the British Empire was at war with Germany from 11 p.m. (London time) of the 4th.

Having regard to the urgent demand for men as the war proceeded, the hesitation of the British Government at the time of the outbreak to accept the offers of the dominions to send contingents—the suggestion, indeed, that they would not be necessary—is peculiarly interesting. That there was a brief period when this feeling prevailed may be inferred from the following evidence.

³¹ Rt. Hon. Viscount Harcourt. First Commissioner of Works, 1905/10, 1915/16; Secretary of State for the Colonies, 1910/15. Of London; b. London, 31 Jan., 1863. Died 24 Feb., 1922.

³² Rt. Hon. Viscount Grey, K.G. Secretary of State for Foreign Affairs, 1905/16; b. 25 April, 1862. Died 7 Sept., 1933.

Among the private papers of Lord Novar is a letter from a peer, written in London on August 21st, stating:

At first I was afraid the Home Government were not going to accept them (i.e., Australian troops), and that was, I believe, their original intention. To refuse them would have been most unfortunate, and I felt much relieved when they reconsidered their decision.

The writer of this letter relied upon a statement made to him by a member of the Cabinet. Confirmation is given by a reply to a question put in the House of Lords on August 5th.³³ Lord Denman,³⁴ a former Governor-General of Australia, asked whether offers from the dominions to send troops had been accepted, or would be accepted very shortly. Lord Emmott, for the Government, could give only the uncertain reply: "Although there is no immediate necessity for the acceptance of such offers, His Majesty's Government will not hesitate to avail themselves of the patriotism of the dominions when necessary."

On August 6th the Australian Government received the following cablegram from London:

His Majesty's Government gratefully accept offer of your Ministers to send force of twenty thousand men to this country and would be glad if it could be despatched as soon as possible.

A cablegram of August 4th had warned the Australian Government of possible dangers:

Be on your guard against possibility of attack in advance of any formal declaration of war. Understand clearly that this is not war telegram.

Read together with Mr. Harcourt's 3.5 p.m. message, quoted above, it reveals the quivering condition of uncertainty and apprehension which prevailed in London during the afternoon of August 4th. Germany might at the last moment withdraw from Belgian territory in view of the firm British attitude; or German ships might be under orders to make raids upon British territory out of Europe before the term mentioned in the ultimatum expired. The Governor-General replied:

Every precaution possible is being taken. There is indescribable enthusiasm and entire unanimity throughout Australia in support of all that tends to provide for the security of the Empire in war.

³³ House of Lords *Debates*, 1914, p. 399.

³⁴ Rt. Hon. Lord Denman, G.C.M.G., K.C.V.O. Governor-General of Australia, 1911/14. Commanded 2nd Line Middlesex Yeomanry, 1914/16; served in France, 1917. Of London and Sussex; b. London, 16 Nov., 1874.

In a few hours came the fateful message, despatched from London at 12.30 a.m. on August 5th:

War has broken out with Germany. Send all State Governors.

This cablegram was received by the Governor-General on August 5th at 12.30 p.m. (Melbourne time). He initialled it, "R.M.F.," and minuted it: "Copy sent to Prime Minister and Minister for Defence. News at once despatched all State Governors in form: War has broken out between Great Britain and Germany." Mr. Cook gave the news to the representatives of the newspapers at 12.45, saying to them: "I have received the following despatch from the Imperial Government—War has broken out with Germany."

Though the official tone of the communications between the Governments of Great Britain and the Commonwealth was satisfactory, a warmer response, with the throb of human feeling in it, came in the cable message from the King, on August 6th. Its words were few, but they had the restrained eloquence and dignity which the occasion demanded.

I desire to express to my people of the overseas dominions with what appreciation and pride I have received the messages from their Governments during the last few days. These spontaneous assurances of their fullest support recall to me the generous self-sacrificing help given by them in the past to the Mother Country. I shall be strengthened in the discharge of the great responsibilities which rest upon me by the confident belief that in this time of trial my Empire will stand united, calm, and resolute, trusting in God.—GEORGE.

A series of proclamations published in *The Commonwealth Gazette* announced in legal form the outbreak of war and its bearing upon various interested parties. On August 3rd the Governor-General proclaimed "the danger of a war," and by a second *Gazette* notice called out "such part of the Citizen Forces as are required to fulfil the precautionary measures laid down in defence schemes." On the same day it was proclaimed that there had been established "a censorship of all cable and wireless telegraph communications throughout the Commonwealth," dating from 5 p.m. On August 5th "a war against Germany" was proclaimed. A long proclamation on August 5th announced that enemy merchant ships which at the time of the outbreak of hostilities were in any port of the Commonwealth, or which had cleared

from their last port before the declaration of war, "shall be allowed up till midnight of Tuesday the 4th of August for loading or unloading their cargoes and departure from such port." As this proclamation was not published till after the date mentioned, a later proclamation fixed August 14th as the date for departure of enemy merchant ships; and a still later proclamation extended the time to August 21st. But in all cases it was stipulated that officers and members of crews should give an undertaking that they would not engage in any service connected with the war whilst hostilities continued. A proclamation of August 7th contained a warning against supplying the enemy with goods or merchandise or contributing to any loan floated in behalf of the enemy.

III

The outbreak of war found Australia in the midst of a complicated political situation. The Ministry in office was that of Mr. Joseph Cook. It was supported in the fifth Parliament of the Commonwealth by the party known as "Liberal," which was made up of two sections. In the period before the enactment of the Commonwealth tariff, these sections had been respectively "Protectionists" and "Revenue Tariffists," that is, advocates of a tariff designed primarily for revenue purposes rather than protective in its incidence. But both were opposed to the Labour party. When, therefore, the tariff issue was regarded as settled, they had formed what was termed a "Fusion," represented by the Reid-McLean ministry of 1904. The Fusion party took unto itself the name of Liberal, and under that designation was successful in attaining office at the general election which took place on the 31st of May, 1913.

But the relative strength of parties, when Parliament commenced its work in July, placed Mr. Cook's administration in a situation so difficult that it could not carry out a legislative policy without the consent of its opponents. After two months' debating no business of any kind had been done. In the House of Representatives it had a majority of only one, which, for the purpose of divisions on strict party lines, disappeared after a Speaker was elected from the ministerial side. The Government would have preferred that the former

Speaker, Mr. McDonald,³⁵ should agree to his re-election, but he declined because his party required his vote. The election of Mr. Elliot Johnson³⁶ to the chair from the ministerial side of the House therefore deprived the Government of its majority. The Speaker's casting vote was the slender thread which held Mr. Cook and his Cabinet in office. In the Senate the situation was worse; for there the Labour party possessed a solid following of twenty-nine in a house of thirty-six. It was clear from the commencement of the 1913 Parliament that constitutional government could not be conducted in accordance with recognised principles under these paralysing conditions. A fresh general election would soon be necessary.

But a general election, even if it resulted in the return of a Liberal majority to the House of Representatives, whilst leaving the Labour party's majority in the Senate untouched, would not have placed Mr. Cook in a much more enviable situation. Under the Constitution (section 7), senators were "chosen for a term of six years," so that the senators elected in June, 1913, still had a full term to run, whilst the remaining half of the Senate, under the rotation method prescribed by section 13, were in possession of their seats for three years. There was, however, a possible way out of the predicament. Section 57 provided machinery by which, in the event of persistent disagreement between the two houses of legislature upon any proposed law, the Governor-General might "dissolve the Senate and the House of Representatives simultaneously." It was therefore sound parliamentary strategy for Mr. Cook to manœuvre for a position³⁷ in which the Labour majority in the Senate would be sure to reject a bill, or bills, sent to it by the House of Representatives, and would persist in this course until the conditions prescribed by section 57 were so far fulfilled that the Governor-

³⁵ Hon. Charles McDonald. M.L.A., Q'land, 1893/1901; Member of C'wealth House of Reps., 1901/25, Speaker, 1910/13, 1914/17. Watchmaker and jeweller, later sheep farmer; of Ivy Downs and Charters Towers, Q'land; b. North Melbourne 22 Aug., 1861. Died 13 Nov., 1925.

³⁶ Sir Elliot Johnson, K.C.M.G. Member of C'wealth House of Reps., 1903/28. Speaker, 1913/14, 1917/23; b. Newcastle-on-Tyne, Eng., 10 Apr., 1862. Died 8 Dec., 1932.

³⁷ "We decided that a further appeal to the people should be made by means of a double dissolution, and accordingly set about forcing through the two short measures for the purpose of fulfilling the terms of the Constitution." (Prime Minister's memorandum to Governor-General, *Commonwealth Parliamentary Papers* 1914-17, V. 129.)

General would feel impelled to exercise the powers vested in him, and resort to a double dissolution.

The required issue was found in an amending Electoral Bill which proposed to restore voting by post, a privilege restricted by an Act passed at the instance of the previous Labour Government; and a Government Preference Prohibition Bill, which was designed, according to the description of the Attorney-General (Sir William Irvine), to prevent the principle of "preference to unionists" operating in regard to employment in the Government service. Both bills were rejected by the Senate. The Government could have forced a decision on either; it chose to take its stand upon the Government Preference Prohibition Bill, which was twice passed by the House of Representatives in two separate sessions, and twice rejected by the Senate. In the final stages the Bill was carried on the third reading in the House of Representatives by the casting vote of the Speaker (28th May, 1914), and rejected by the Senate on the same day on the motion for the first reading by twenty-one votes to five.

Thereupon Mr. Cook informed the Governor-General that "the almost equal numbers of the two parties in the House of Representatives and the small number supporting the Government in the Senate render it impossible to manage efficiently the public business," and advised him to "dissolve simultaneously the Senate and the House of Representatives." This communication was accompanied by a memorandum wherein it was argued that the discretionary power entrusted to the Governor-General under section 57 of the Constitution was one which could only be exercised by him in accordance with the advice of his Ministers representing a majority in the House of Representatives. The Governor-General accepted the advice to dissolve both Houses;³⁸ but he was very

³⁸ The case is discussed in the last (1928) edition of Dr. Berriedale Keith's *Responsible Government in the Dominions*, Vol. I, pp. 137-9, where it is held that: "The action of the Governor-General was explicable on one theory only, that he had decided to act strictly on the British principle, and to throw responsibility on his Ministers and not on himself." It is quite certain, however, that the Governor-General had arrived independently at the conclusion that a double dissolution was the only solution of the parliamentary deadlock, and exercised the discretion which he maintained that he possessed. The Government memorandum to the Governor-General is printed in *Commonwealth Parliamentary Papers 1914-17*, V. 129. Mr. Cook's statement as to his advice to the Governor-General was made in the House of Representatives on June 10; see *Commonwealth Parliamentary Debates*, LXXIV., 1970. The Governor-General accepted 'his statement as correct in a message to the Senate: *Ibid.*, 2419.

careful to make it clear to Mr. Cook that he did so because his own view of the parliamentary situation was that the conditions contemplated by Section 57 had arisen, and not because he agreed that he had no discretion. In a letter to the Secretary of State (1st June, 1914), he wrote:

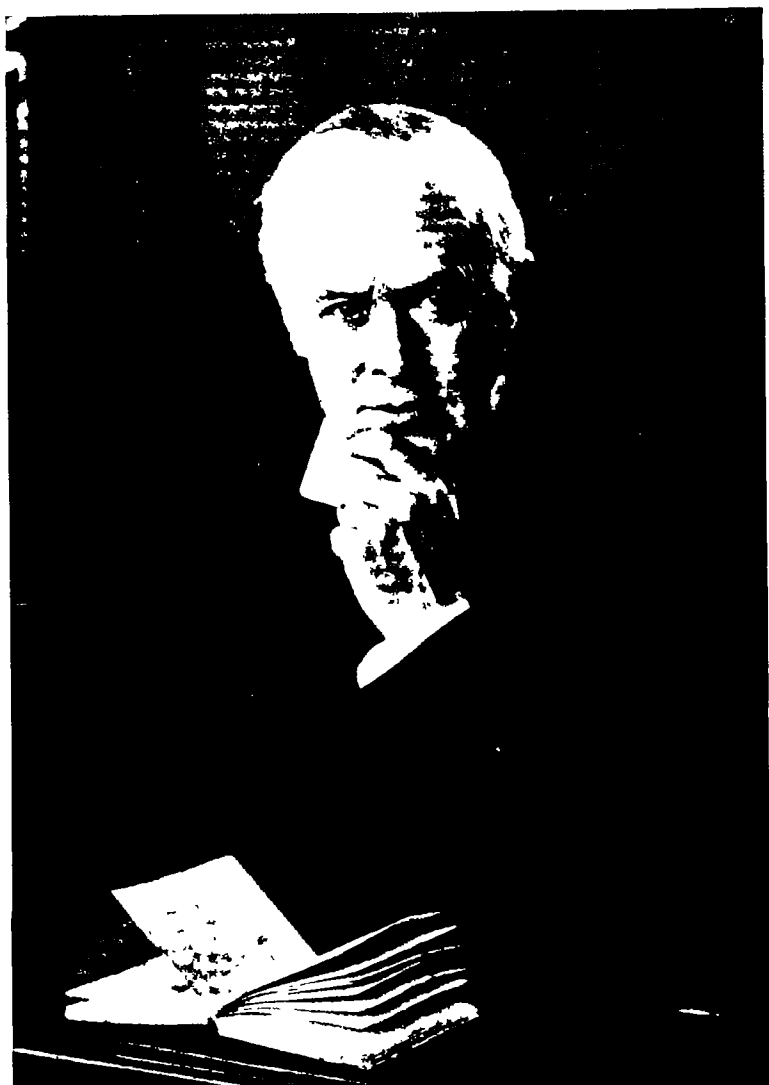
The obvious reason for the dissolution is of course that Parliament is quite unworkable, that the King's Government cannot at present be carried on under either circumstance. A dissolution of one or both Houses is inevitable, and to dissolve the lower House only would be to give an advantage to the party in a minority in that House."

So strongly did the Governor-General feel that the question of a double dissolution was not one to be determined solely on the advice of ministers, that he suggested that he should consult the leader of the Opposition. He asked Mr. Cook "whether it would be in conformity with precedent and constitutionally correct for me to see Mr. Fisher⁴⁰ or anyone named by him." But "Mr. Cook was evidently much against my seeing Mr. Fisher." The Governor-General then asked whether Mr. Cook raised any objection to his consulting the Chief Justice, Sir Samuel Griffith.⁴¹ "He was very willing that I should see the Chief Justice." The Governor-General accordingly consulted Sir Samuel, who, in addition to strengthening his own view of his responsibilities in regard to Section 57, afterwards furnished him with a written memorandum, which is preserved among the Novar papers. It is headed, "Memorandum by Sir Samuel Griffith, Chief Justice of Australia, on the 'Double Dissolution' section of the Constitution." The paragraphs which are especially

³⁹ Years later also, in reviewing the circumstances in a letter to the Secretary of State who held office in 1920 (Lord Milner), the Governor-General wrote: "I was careful at the time to make it quite clear to the Prime Minister that my decision was reached 'after having considered the parliamentary situation'." Further, among the Novar papers is a document headed: "Memorandum of my interview with Mr. Cook on June 2, 1914, when he asked for a double dissolution." It is initialed "R.M.F., 2.6.14." In it he repeats precisely most of the passage quoted above from his letter of 1 June, 1914.

⁴⁰ Rt. Hon. Andrew Fisher. M.L.A., Q'land, 1893/96, 1899/1901; Member of C'wealth House of Reps., 1901/15; Minister for Trade and Customs, 1904; Prime Minister of Australia, 1908/9, 1910/13, and 1914/15; High Commissioner, London 1916/21. Of Gympie, Q'land, and Melbourne; b. Crosshouse, Kilmarnock, Scotland, 29 Aug., 1862. Died 22 Oct., 1928.

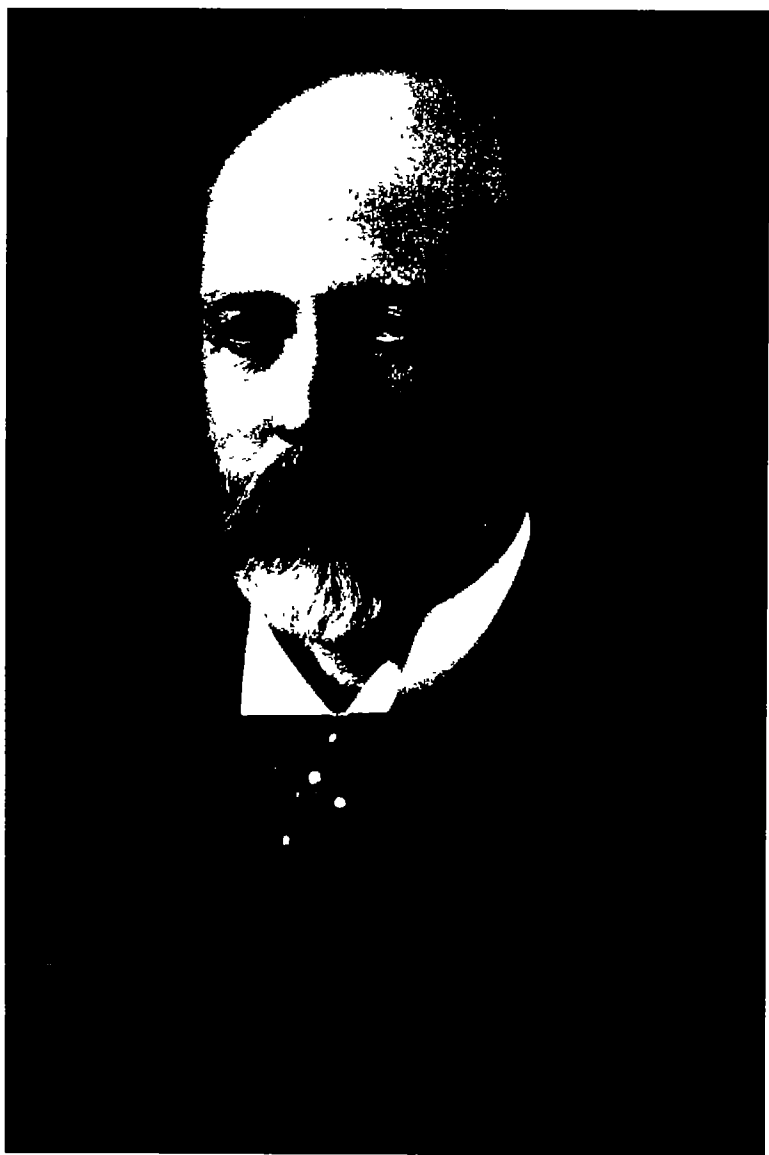
⁴¹ Rt. Hon. Sir Samuel Griffith, G.C.M.G. Premier of Q'land, 1883/88, 1890/93; Chief Justice of Q'land, 1893/1903; Chief Justice of High Court of Australia, 1903/19. Of Brisbane; b. Merthyr Tydvil, Wales, 21 June, 1845. Died 9 Aug., 1920.



1 RT HON SIR RONALD CRAUFURD MUNRO-FERGUSON, GOVERNOR-
GENERAL OF THE COMMONWEALTH OF AUSTRALIA, 1914-20

Photo by H Walter Barnett Hyde Park London

To face p 18



2. RT. HON. SIR JOSEPH COOK, PRIME MINISTER OF AUSTRALIA,
1913-14; MINISTER FOR THE NAVY, 1917-20

*Photo. by Broothorn, Melbourne
Aust. War Memorial Collection No H16064*

To face p 19.

relevant to the question of the exercise of power under the section are as follow:

An occasion for the exercise of the power of double dissolution under section 57 formally exists whenever the event specified in that section has occurred, but it does not follow that the power can be regarded as an ordinary one which may properly be exercised whenever the occasion formally exists. It should, on the contrary, be regarded as an extraordinary power, to be exercised only in cases in which the Governor-General is personally satisfied, after independent consideration of the case, either that the proposed law as to which the Houses have differed in opinion is one of such public importance that it should be referred to the electors of the Commonwealth for immediate decision by means of a complete renewal of both Houses, or that there exists such a state of practical deadlock in legislation as can only be ended in that way. As to the existence of either condition he must form his own judgment.

Although he cannot act except upon the advice of Ministers, he is not bound to follow their advice, but is in the position of an independent arbiter.

IV

The earlier phases of the parliamentary struggle just described took place during the period of office of the fifth Governor-General of the Commonwealth, Lord Denman; but the crisis was reached under his successor, Sir Ronald Craufurd Munro-Ferguson. Sir Ronald's appointment was announced on the 8th of February, 1914, and he arrived in Melbourne and assumed the duties of his office on May 18th.

Sir Ronald was a man of 54 years of age when he came to Australia. He had been member of the House of Commons for Leith Burghs, and possessed both long and wide political experience. He had been private secretary to Lord Rosebery during his term as Secretary of State for Foreign Affairs, and one of the Liberal Whips under the Gladstone Government of 1892 and the Rosebery Government of 1894. Before he embarked upon a political career, under Lord Rosebery's persuasion, he had been an officer of the Grenadier Guards, for which he was prepared by an education at the Sandhurst Military College.

Race, training, and a certain innate distinction of mind gave to the new Governor-General that "splendid presence" upon which comments were made when his appointment was announced. Sir Edward Grey, who knew him well, spoke of his marked courage and independence of character, his business capacity, and personal charm. Scottish with long

descent on both sides of his family, he often reminded those who came in contact with him of the portraits of Sir Walter Scott. His military bearing came to him from the Munros of Novar in Ross-shire; his political leanings from the Fergusons of Raith, near Kirkcaldy, two of whom, Sir Ronald's father and grandfather, were members of the House of Commons, with distinctly Radical leanings. His tastes were wide. He was an expert in forestry, loving and understanding great trees—the pines, sycamores, and larches of his own estates, and the giant eucalypts of the country which was to be his home during six eventful years. He rejoiced in the possession of fine works of art, including the superb Raeburns which ancestors had commissioned from the great Scottish portrait painter, and some choice exemplars of modern masters, to which were added, during his residence in this country, landscapes by Australian painters. Literature refreshed his leisure, and he was always glad to have book-chat with people like-minded. Good nature and responsiveness invited a frank exchange of ideas with him. It had been his habit to mix with all sorts and conditions of men. In Scotland he had been Provost of Kirkcaldy and had taken a keen interest in municipal affairs. Humorous, fond of conversation, with a memory richly stored with anecdote—Scottish stories, stories of eminent men with whom he had been associated, stories of many countries in which he had travelled—he could cap any tale with a better one, and talk flowed freely in his presence.

Such was the man who was chosen to preside over the government of the Commonwealth in what proved to be the most momentous period in its history. A visitor to his London residence shortly after his appointment was announced found him engrossed in the *Commonwealth Year-Book*, which he declared to be a "truly wonderful production," telling him the things he chiefly wanted to know about the Commonwealth. His friend Lord Rosebery gave to him his collection of books about Australasia from the library at Dalmeny, and in these, too, he found entertainment. It was characteristic of him that when the King offered him a peerage (in February) he begged to be allowed to decline it; and it was as Sir Ronald Munro-Ferguson that Australia

knew him from 1914, the viscounty of Novar not being conferred till 1920, at the close of his term of office, after he had entertained the Prince of Wales on his visit to Australia in that year.⁴²

The new Governor-General was accompanied by his wife, the Lady Helen Munro-Ferguson. A descendant, through her grandmother, of Richard Brinsley Sheridan, and a daughter of the first Marquis of Dufferin and Ava, Lady Helen had been all her mature life an *habituée* of the world of diplomacy and politics. Her father had been British ambassador at St. Petersburg, Constantinople, Paris, and Rome, special commissioner to Egypt, Viceroy of India, and Governor-General of Canada. He was the friend of some of the choicest spirits of his generation, and was himself a man of literary aptitude, as manifested in his popular book of travel, *Letters from High Latitudes*. Lady Helen had seen much of life in many countries. She shared the literary tastes of her distinguished father, and had exceptional and precise knowledge, in particular, of biographies, published letters, and memoirs; the casual mention of a celebrated name would generally evoke from her some piquant story, or some indication of unwritten things which explained what biographers had omitted, or perhaps, in some cases, had not known. Tall, graceful in carriage, with soft, quiet speech, Lady Helen possessed also, as was demonstrated abundantly when the stress of war came, great organising and administrative capacity, and energies which she taxed almost to breaking point in the service of the nation. Among many women who laboured in a variety of splendid causes during the war, there was not one who worked with greater assiduity than Lady Helen herself, a leader both by natural capacity and by virtue of her station.

V

The electoral campaign was in full swing throughout Australia after the prorogation of Parliament on June 27th. and was characterised by the usual features, without any recorded instance of an allusion to the imminence of war till the end of July. On the 31st of that month both the

⁴² His Excellency used to say: "The title Novar will be nothing new to me in Scotland. I am always called by that name in the Highlands."

Prime Minister, Mr. Cook, and the leader of the Labour party, Mr. Fisher, addressed meetings in Victoria. Mr. Cook spoke at Horsham, the centre of the Victorian wheat area, whither he had gone from Ballarat with the Governor-General's telegram⁴³ in his possession. He made the following reference to European events, which were necessarily a source of anxiety to his audience—the more so as there were many settlers of German origin in the neighbourhood:

We do not know, when this fire starts, where the conflagration is going to end, and every effort will be made to check it. In the meantime we may feel sure that we have wise counsels at the seat of Government in London . . . Whatever happens, Australia is a part of the Empire to the full. Remember that when the Empire is at war, so is Australia at war. That being so, you will see how grave is the situation. So far as defences go here and now in Australia I want to make it quite clear that all our resources in Australia are in the Empire and for the Empire, and for the preservation and the security of the Empire.

Mr. Fisher's declaration in his speech at Colac was equally emphatic, and it contained a phrase which he repeated more than once in later speeches, and which possessed peculiar significance in relation to later developments.

Turn your eyes to the European situation (said Mr. Fisher) and give the kindest feelings towards the mother country at this time. I sincerely hope that international arbitration will avail before Europe is convulsed in the greatest war of any time. All, I am sure, will regret the critical position existing at the present time, and pray that a disastrous war may be averted. But should the worst happen after everything has been done that honour will permit, Australians will stand beside our own to help and defend her to our last man and our last shilling.⁴⁴

Mr. Fisher repeated that phrase in a speech at Benalla on August 3rd, where he said:

We are strongly opposed to the present Government in our Australian politics; but, as I have stated frequently in Parliament, in a time of emergency there are no parties at all. We stand united against the common foe, and I repeat what I said at Colac, that our last man and our last shilling will be offered and supplied to the mother country in maintaining her honour and our honour, if we should happen to come into the conflict.

He used the phrase again in his own Queensland constituency of Wide Bay; and in one of the earliest of his speeches in the newly-elected Parliament, when, speaking as Prime

⁴³ See pp. 8-9

⁴⁴ Melbourne *Argus*, Aug. 1

Minister, he said: "We shall pledge our last man and our last shilling to see this war brought to a successful issue."⁴⁵

The two party leaders, therefore, were in harmony upon the vital issue of the hour, and the henchmen on both sides were in complete agreement with them. Especially decisive was Mr. Hughes,⁴⁶ who from the moment when war seemed probable made it clear that the larger patriotism meant more to him than even the victory of that political party which his own energy and ability had done so much to create. Speaking in Sydney on August 2nd, Mr. Hughes said that he declined to make political capital out of the defence question. "For the time being I leave all things to the one side that can in any way savour of party; whatever needs to be done to defend the interests of the Commonwealth and of the Empire must be done."

A survey of organs of opinion and of the political speeches delivered during the campaign makes it clear that Australia at the beginning of August, 1914, was substantially unanimous in her determination to share the perils and burdens of war with the rest of the Empire. She made her offer of service freely, and there was no group which did not approve. Enthusiasm varied in temperature; some acclaimed the pride of race and the honour of the nation more than they estimated the consequences of embarking upon this terrific struggle, others lamented the necessity but faced it as a duty to be solemnly undertaken; and all the varieties of emotion between bravado and timidity might perhaps have been discerned by an analyst of the national psychology. This unanimity was a political fact of the utmost importance. The people were assured, by the pledges of men representing divergent aspects of political thought, that, whichever party was entrusted with a majority at the election, Australia's whole-hearted co-operation with Great Britain was guaranteed. In the circumstances which then prevailed, with a passionate thrill of patriotic feeling touching the hearts of every class in the country, the slightest faltering would have been

⁴⁵ October 14; *Parliamentary Debates*, LXXV, 174.

⁴⁶ Rt. Hon. W. M. Hughes. M.L.A., N.S.W., 1894/1901; Member of C'wealth House of Reps since 1901; Minister for External Affairs, 1904, 1921/23, 1937; Attorney-General, 1908/9, 1910/13, 1914/21; Prime Minister, 1915/23, Vice President, Executive Council, 1934/35, 1937; Minister for Health, and Minister for Repatriation, 1934/35, 1936/37; Minister i/c Territories, 1937. B. Wales, 25 Sept 1864.

detected and denounced. No party could have survived in whose ranks a suspicion of weakening was apparent. Fortunately, the sincerity of Mr. Fisher and Mr. Hughes on the one side was as free from doubt as that of Mr. Cook and Sir William Irvine on the other. The electors could exercise their political preferences at the polls in the confidence that the transcendant political question of the moment was placed beyond the range of party conflict.

The manifestations of enthusiastic support came from many quarters wherein such fervour was not habitual. Meetings of the supporters of the Labour party ended with the singing of the National Anthem; an instance was a meeting addressed by Mr. Fisher at Narrandera. The spokesman of the Melbourne Celtic Club, an Irish Nationalist organisation, on August 5th said that, while the members of the club had been keen participants in the Home Rule struggle, their sectional feelings were set aside during the present crisis; they felt that they were all Britons, and desired to stand by the Empire in its hour of need. At a crowded meeting of citizens convened by the Lord Mayor of Melbourne at the Town Hall on August 6th, Mr. John Gavan Duffy,⁴⁷ the bearer of a name famous in Irish revolutionary politics, said that he appeared as an Irish Catholic Nationalist, but "in this crisis Irish Nationalists forgot all the grievances of the past. Justice was being done to them at the present time, and they were ready, eager, and willing to stand shoulder by shoulder, knee by knee, fighting the battle of the great Empire to which they belonged." Such declarations, and there were many of them in various parts of the Commonwealth, justified the description given by Mr. Hughes on August 9th: "With almost miraculous celerity the din of party strife has died down, the warring factions have joined hands, and the gravest crisis of our history is faced by a united people."

Encouraged by this unanimity, Mr. Hughes threw out a suggestion which he pressed with characteristic temperamental fervour. It was original and not a little startling. Why should not the general election be "declared off"? There were, he said, two ways in which this end might be attained.

⁴⁷ Hon. J. Gavan Duffy, M L A. Vic. 1874/1904. Barrister and solicitor; of St Kilda, Vic; b Dublin, Ireland, 15 Oct., 1844. Died 8 March, 1917.

"The Executive might by proclamation withdraw the formal proclamation dissolving Parliament. That would of course, be quite unconstitutional and illegal, but . . . that difficulty could be cured by an act of the British Parliament which could be passed almost immediately. . . . Parliament in that case could be called together within a few days." The alternative method was that an arrangement might be made between the leaders of the parties to withdraw the nominations lodged against those candidates who had been members of the recently-dissolved Parliament. The result would be that the new Parliament would be composed of exactly the same members as the last one. It might be, Mr. Hughes admitted, that certain independent candidates would refuse to abide by such an arrangement, "but that would not affect the position materially, and the issue would not be at all in doubt, nor need Parliament await the elections in these few, if any, cases."⁴⁸

Mr. Hughes said nothing as to whether he intended that the existing ministry should remain in office, or whether he aimed at a coalition formed from leading men of both parties. The second of his suggestions was possible of realisation only until nomination day, August 7th; but, even if the Government had been disposed to adopt it, there was no certainty that the political organisations on both sides would have agreed to withdraw their candidates in opposition to members of the late Parliament. The first suggestion involved resorting to the Imperial Parliament to validate the "unconstitutional and illegal" procedure which would have been projected if the Government had cancelled the proclamation of the Governor-General declaring the fifth Parliament dissolved.

The Attorney-General refused to countenance either device. Sir William Irvine pointed out that a general election had more than once taken place in Great Britain while a great war was being waged. He instanced the election of 1812, when Parliament was dissolved while the country was at war with the Napoleonic Empire.⁴⁹ "To

⁴⁸ *The Sydney Morning Herald*, Aug. 5.

⁴⁹ He might have added that Great Britain was at that time engaged in war with the United States of America also; for President Madison had declared war in June, 1812; the dissolution of Parliament occurred in September.

approach the Imperial Parliament at the present moment to pass an act altering, even temporarily, the provisions of the Constitution of Australia would," said Sir William Irvine, "be a course almost impossible to take, even if absolutely necessary for carrying on our Government. But it cannot be justifiably asserted that the Government cannot be carried on in existing circumstances. There has not been a murmur of opposition against any action taken by the Government."⁵⁰

It is not clear that Mr. Hughes was speaking for the Labour party as a whole when he put forward these suggestions. It is hardly possible that he was doing so, as the parliamentary candidates were scattered throughout the six States pursuing their electoral interests. But Mr. Fisher adopted his views, and they were embodied in a Labour manifesto signed by him and by Mr. Watkins,⁵¹ the Secretary of the parliamentary Labour party. In this document it was averred that "the responsibility for pressing on with the elections at a time when our very existence is at stake rests not with us, but with the Government, who have deliberately refused every suggestion put forward for a political truce." The manifesto promised, however, that "if returned with a majority we shall pursue with the utmost vigour and determination every course necessary for the defence of the Commonwealth and the Empire in any and every contingency. . . . The position, then, is, that if the electors give us a majority, we shall expect Mr. Cook and his supporters to stand behind us. On the other hand, if Mr. Cook has a majority, we shall stand behind him in all things necessary for the defence of the Commonwealth and the Empire."⁵²

⁵⁰ Melbourne *Argus*, Aug. 8

⁵¹ Hon. D. Watkins, M.L.A., N.S.W., 1894/1901; Member of C'wealth House of Reps., 1901/35. Of Hamilton, N.S.W.; b. Wallsend, N.S.W., 5 May, 1865. Died 8 Apr., 1935

⁵² The full text of the manifesto is published in *The Sydney Morning Herald*, Aug. 24. The literary style suggests that it was written by Mr. Hughes. He said (*S.M. Herald*, Aug. 24) that the suggestion that the proclamation dissolving Parliament should be cancelled, and that there should be a truce between the parties, was first made by the Premier of Victoria. This was correct. Sir Alexander Peacock, in a statement published in the *Melbourne Herald* (Aug. 4), suggested that there should be "a truce by the political parties till the war troubles are over," and he observed that one course that might be pursued was that Parliament should be revived "in the only way it could be revived, by asking the Imperial Parliament to pass a short special Act revoking the proclamation dissolving the Senate and the House of Representatives and recreating the two Houses for a specified term." Mr. Hughes made his first declaration on the subject on Aug. 4 in Sydney, after Sir Alexander Peacock's remarks had been telegraphed from Melbourne.

VI

Section 51, paragraph vi, of the Commonwealth Constitution gave to Parliament power to make laws with respect to "the naval and military defence of the Commonwealth and of the several States." But the Government recognised that, notwithstanding that the responsibility for the conduct of Australia's participation in the war rested with them, it was desirable that they should work in harmony with the Governments of the States in so grave a national emergency. In order to promote co-operation, the Prime Minister summoned a conference of State Premiers to confer with Commonwealth Ministers. The conference met at Melbourne on August 11th, and sat for four days. On the opening day, the Commonwealth Government was represented by the Prime Minister, Sir William Irvine, and Senator Millen; Mr. Fisher and Mr. Hughes were present to represent the Federal Opposition; and five of the States were represented by their Premiers, namely, Victoria by Sir Alexander Peacock,⁵³ New South Wales by Mr. Holman,⁵⁴ South Australia by Mr. Peake,⁵⁵ Queensland by Mr. Denham,⁵⁶ and Tasmania by Mr. Earle.⁵⁷ The Premier of Western Australia, Mr. Scaddan,⁵⁸ was not present at any sitting of the conference. After the first day three other Commonwealth Ministers, Mr. Glynn (External Affairs), Mr. Groom (Trade and Customs), and Mr. Kelly, took part in the deliberations, as did also Mr. Baillieu⁵⁹ and Mr. Hagelthorn,⁶⁰ representing the Victorian Government.

⁵³ Hon. Sir Alexander Peacock. K.C.M.G. M.L.A., Vic., 1889/1933, Premier 1901/2, 1914/17, 1924, Speaker, 1928/33. Legal manager and company director of Creswick, Vic.; b. Creswick, 11 June, 1861. Died 7 Oct., 1933.

⁵⁴ Hon. W. A. Holman. M.L.A., N.S.W., 1898/1920; Member of C'wealth House of Reps., 1931/34; Premier of New South Wales, 1913/20. Barrister-at-law; of Sydney; b. Kentish Town, London, 4 Aug., 1871. Died 5 June, 1934.

⁵⁵ Hon. A. H. Peake. M.H.A., S. Aust., 1897/1920, Premier, 1909/10, 1912/15, and 1917/20. Of Adelaide; b. Chelsea, London, 15 Jan., 1859. Died 6 April, 1920.

⁵⁶ Hon. Digby F. Denham. M.L.A., Q'land, 1902/15, Premier, 1911/15. Mer chant; of South Brisbane; b. Langport, Somerset, Eng., 25 Jan., 1859.

⁵⁷ Hon. J. Earle. M.H.A., Tas., 1906/17; Member of C'wealth Senate, 1917/23, Premier of Tasmania, 1914/16. Of Hobart; b. Bridgewater, Tas., 15 Nov., 1865. Died 6 Feb., 1932.

⁵⁸ Hon. J. Scaddan. C.M.G. M.L.A., W. Aust., 1904/17, 1919/24, 1930/33. Premier, 1911/16. Manager; of Perth, W. Aust.; b. Moonta, S. Aust., 4 Aug., 1876. Died 22 Nov., 1934.

⁵⁹ Hon. W. L. Baillieu. M.L.C., Victoria, 1901/22; of Toorak, Vic.; b. Queens-cliff, Vic., 22 April, 1859. Died Feb., 1936.

⁶⁰ Hon. F. W. Hagelthorn. M.L.C., Victoria, 1907/19; of Horsham district, Vic.; b. Sebastopol, Vic., 23 Sept., 1864.

The presence of Mr. Fisher and Mr. Hughes, by invitation of the Prime Minister, indicated the desire which he had expressed in a public statement that the leaders of the Opposition party in Parliament should be consulted about all important matters relating to the war. Mr. Fisher, who spoke at Junee, New South Wales, on August 7th, mentioned the Prime Minister's statement that "if Mr. Fisher had stayed in Melbourne he would have consulted him." Mr. Fisher replied that as a matter of fact he was in Melbourne on the previous Saturday and Sunday, but received no word from the Prime Minister. Evidently Mr. Cook had not been aware of his presence at the seat of Government. But, said Mr. Fisher, "whatever the Government does in this crisis, it will have the backing of the Opposition"; and, immediately upon his receipt of the invitation to attend the conference with the State Premiers, he had telegraphed: "Consult with you on Monday. I am prepared to do my part in this momentous question."

The first question raised at the conference related to the desirableness of securing uniformity of action in the treatment of public servants who were called out for military service, or who volunteered. The Commonwealth Public Service Commission had suggested that the rule might be laid down that a public servant while on military duty should receive his pay as a public servant or his pay as a member of the military forces, whichever was the higher. Senator Millen submitted that an assurance should be given to public servants who served with the expeditionary forces that their appointments would remain open for them upon their return to Australia, and that, if during their period of service abroad a public servant would under ordinary circumstances have been granted increased pay, such increase should be granted to him on resuming duty in the public service. This proposal was accepted unanimously.

The State Premiers agreed that free transport on State railways should be granted for men, horses, and material for the purposes of the expeditionary forces. The co-operation of the States in securing horses for military purposes was also promised. Much consideration was given to means of reducing the amount of unemployment which was expected

to follow the war. The States all had large commitments in the shape of public works. It was determined to do everything possible to avoid dislocation of industry such as would be involved in the curtailment of expenditure upon these undertakings. The conference was of opinion that, with adequate care, Federal and State public works might be maintained uninterruptedly.

Finance occupied the attention of the conference at much length. The situation was an entirely strange one and Australia was feeling her way. There had been slight beginnings of a run on some of the savings banks, but these paid out freely and it quickly ceased. The Melbourne Stock Exchange prudently closed, a course followed some weeks later by others. The wool sales ceased, the oversea trade diminished—and with it would go the main source of the Federal Government's revenue, the receipts from customs. A number of men were thrown out of employment. But the universal desire was to avoid panic. To the governments the special difficulties arising from the war presented themselves in two ways. First, it was no longer possible to obtain fresh capital from investors in Great Britain; and, secondly, many industries were injuriously affected in consequence of the loss of markets and the consequent diminution of earning power. Both of these difficulties, as explained in an official memorandum, called for "a judicious application of the existing resources of the Commonwealth and a spreading of its current credit over the areas of need so created." Fortunately, it was stated, the crisis came at a time of exceptional prosperity and financial strength. The successful harvests and profitable industrial operations of the past few years had left accumulations of wealth. The political representatives of Australia felt that the country as a whole was in a strong financial position. "Her position, as to gold and other resources, has been closely examined by the conference, which has been aided by the Treasury experts of both Commonwealth and State Governments, and by representatives of the trading banks. We are unanimous in thinking that, if the situation is faced with collective efforts, its difficulties can be overcome."

The conference likewise considered certain pressing matters relating to the detention of German officers and reservists, the granting to alien subjects of licences to trade, the circulation of authentic war news, the export and possible "cornering" of food-stuffs, Australian policy in the Pacific, and the provision to be made for the families of British reservists who had been called up for service. The business was concluded on August 14th.⁶¹

The conference was thoroughly satisfactory both from the point of view of the amount of business transacted and the spirit pervading its proceedings. There was substantial unity as to aim and methods as between Commonwealth and State Ministers, and as between those who represented Liberal and Labour ideals in party politics. When the proceedings ended, the Prime Minister was able to telegraph to the Secretary of State for the Colonies:

Prime Minister announced that as a result of the conference between the representatives of the Commonwealth Legislature and the State Premiers all parties agreed to support in every way the efforts of the Commonwealth Government during the war. Public works will be continued at their full current volume and, if necessary, the Commonwealth will make available to the States money for general purposes. As regards commercial and industrial operations generally, arrangements were also made to place the credit of the Commonwealth and the States behind the banks if necessary, and upon such terms as will permit the continuance and encouragement of employment.

VII

While these preparations for facing the struggle were being matured in Australia, the startling events of the early days of the war were chronicled day by day under the blackest of headlines in the newspapers. News of the clash of warships in the North Sea and of the invasion of Belgium by the German Army came over the cables. The war elbowed the election speeches into "back page" columns. The staccato orders of the drill sergeant on the parade ground competed with the voice of the politician in the neighbouring

⁶¹ The conference sat in secret, but minutes of proceedings were kept, from which the above narrative has been written. A committee consisting of Mr. Kelly, Mr. Holman, and Mr. Hughes was appointed to prepare a statement for the press of what had been done, and this committee's draft was submitted to the conference and approved by it before being released for publication. Subsequent conferences which continued the work of this one sat on November 4th-5th and November 30th. These were summoned by Mr. Fisher, then Prime Minister. The leaders of the Federal Opposition were again invited and attended.

hall; for an army was being mobilised, equipped, and trained, and the officers responsible for this task were straining their energies to get the human part of the fighting machine ready for action.

A variety of questions, some of them delicate, arose. A few days before the declaration of war, but when it was imminent, the Postal Department held up a cablegram, in cipher, from the Imperial German Government to the chief officer in German New Guinea. Should the message be transmitted? Had the Commonwealth Government a right to stop a communication from a power, with which Great Britain was not at war, to its agent? But the transmission of the message might, in the existing circumstances, be embarrassing to the British Government. It might contain directions affecting the movement of German ships of war, or orders concerning the defence of New Guinea or Samoa. The Minister for Defence conferred with the Governor-General and the Attorney-General, and it was determined to send a cablegram to the Secretary of State for the Colonies, stating the facts, and to close the direct cable line from all other communications till a reply was received. This was immediately done, and within a few hours the reply came, consisting of one word: "Hold." The message was held.

The approaching meeting in Australia of the British Association for the Advancement of Science was a cause of some uneasiness, because it was known that a number of eminent German scientists had arranged to visit the country, and were, in fact, on their voyage when the war commenced. It had been the ambition of prominent men of science in the Commonwealth to induce this "Parliament of savants" to honour Australia by their presence; and the perversity of fate willed that the long-anticipated 84th meeting should take place in Melbourne and Sydney in August, 1914. The Universities of Adelaide and Melbourne had arranged to confer honorary degrees upon a selected number of the more eminent of the visitors, including a few Germans.⁶² But, though science knows no politics and the pursuit of knowledge is an intellectual activity aloof from the quarrels of

⁶² The University of Sydney conferred honorary degrees upon eleven eminent members of the Association, but none of the German visitors was included because the University by-law was interpreted to apply only to universities of the British Empire.

nations, these men were "enemy subjects," and the unpleasant circumstance could not be ignored that their presence might be embarrassing.

Professor David Orme Masson⁶³ was chairman of the central committee which was responsible for the visit, towards the expenses of which the Commonwealth Government had appropriated £15,000. Dr. Rivett,⁶⁴ the organising secretary, toured Australia to make the necessary arrangements. About 400 visitors came out, in three ships, most of them selected members of the British Association in Great Britain, with a sprinkling of foreigners, including the Germans. War was declared a few days before the vessels arrived at the first Australian port.

Professor Masson, who went to Adelaide to meet the visitors, was careful to provide himself with messages and assurances from the Governor-General and the Prime Minister. Mr. Cook was asked whether he thought it advisable that the meetings of the association should be cancelled, or whether it was desirable that the German visitors should be requested not to participate in the proceedings in the manner arranged. He had no hesitation in coming to a decision. He recognised, as did the Governor-General, that, the German scientists having been invited to the Commonwealth, obligations of hospitality and courtesy should be honoured. When Professor Masson greeted the German savants on the ship *Orvieto*, he found them deeply depressed. They had come to Australia expecting that the conditions of their visit would be agreeable; there were fresh aspects of nature to study, kindred spirits to meet, new problems to hear expounded; and now they were faced with the possibility of imprisonment as alien enemies. But the kindly tact of Professor Masson reassured them.⁶⁵ He gave them the messages from the Governor-General and the Prime Minister, and told them that all the arrangements which had

⁶³ Sir Orme Masson, K.B.E. Professor of Chemistry, University of Melbourne. 1886-1923; President of the Aust. National Research Council, 1922-6. Of Edinburgh and Melbourne; b. London, 13 Jan., 1858. Died 10 Aug., 1937.

⁶⁴ Sir David Rivett, K.C.M.G. Rhodes Scholar; Professor of Chemistry, University of Melbourne, 1924/27; Deputy Chairman of Commonwealth Council of Scientific and Industrial Research, since 1927; of Malvern, Vic.; b. Port Esperance (now Dover), Tas., 4 Dec., 1885.

⁶⁵ Dr. Masson "begrüßte uns auf das herzlichste. Wir möchten keine Sorgen haben, und möchten nicht an den Krieg sondern an die Wissenschaft denken." (Penck, *Von Englands festgehalten*, Stuttgart, 1915.)

been made for their entertainment were to stand as though nothing untoward had happened. The Council of the British Association held a special meeting soon after the party landed in Adelaide, and passed a resolution placing the association in the hands of the Commonwealth Government. They would without hesitation cancel the meetings if so desired, or would drop from the programme anything that had been arranged in connection with it. But Professor Masson assured the Council that he was authorised to tell them that the Government desired that none of the plans should be altered.

The programme was accordingly commenced in Adelaide, where the association spent five days. The University conferred doctorates upon certain selected visitors, including Dr. Albrecht Penck of Berlin and Dr. Felix von Luschan of Munich. In Melbourne, where the president, Professor William Bateson,⁶⁶ delivered the first part of his presidential address on "Heredity," on August 14th, the University conferred the degree of Doctor of Science upon Dr. Johannes Walther. In Sydney the University ceremonial which had been arranged had to be cancelled owing to the death of the Chancellor, Sir Normand MacLaurin,⁶⁷ on August 24th. The whole of the meetings of the association, in full session, and in the sections, took place according to schedule without any reference being made to the war. Indeed at the university functions at Adelaide and Melbourne, an observer noted that "it was obvious that more hearty applause was given to the Germans than to any of the other graduates, simply to emphasise the feeling that they were welcome, and that science knows no national boundaries." Melbourne respected the dignified and calm bearing of the German geologist, Dr. Walther, a sturdy, square, bearded man of ruddy complexion; but he confessed to one who knew him, with tears in his eyes, that anxiety for his wife and family, but, even more, the thought of his own absence from his fatherland in this time of spiritual uplift—"the Day"—made public appearances

⁶⁶ Dr. W. Bateson. Director, John Innes Horticultural Institution, Merton Park, Surrey, 1910/26. Biologist and naturalist, of Cambridge and Merton; b. Whitby, Yorks., 8 Aug., 1861. Died 8 Feb., 1926.

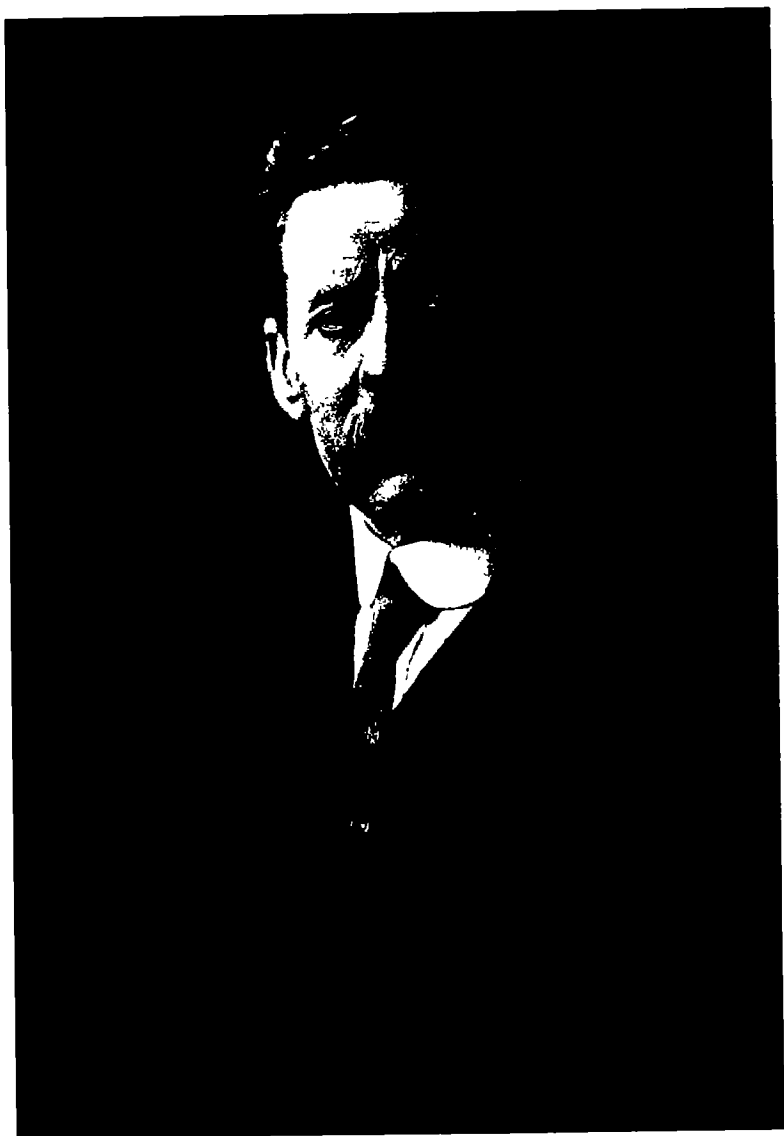
⁶⁷ Hon. Sir Normand MacLaurin. M.L.C., N.S.W., 1889/1914; Chancellor, University of Sydney, 1896/1914. Surgeon; of Sydney; b. Kilconquhar, Scotland, 10 Dec., 1835. Died 24 Aug., 1914.

almost unbearable to him. He was deeply grateful for, and affected by, the friendliness shown him, but left for Germany as soon as possible.

At this period of the war there was little of the bitterness against Germans that was afterwards generated, nor was there suspicion as to their good faith. But as reports reached Australia through the newspapers concerning the activities of German spies in Great Britain, before and during the war, a feeling of uneasiness arose, from which the German savants did not escape. Professor Penck, a tall man of erect military bearing, rumoured to be a favoured member of the entourage of the Kaiser Wilhelm II, was suspected of having sinister designs in coming to Australia. It was discovered that he was an assiduous collector of maps. A Victorian politician remembered that when a section of the association visited Ballarat, and the Mayor of that city gave a luncheon to them, Dr. Penck, instead of feasting like an ordinary mortal, tramped around the environs of "the golden city," with a map in his hand, taking notes. Clearly he was a spy! But Dr. Griffith Taylor⁶⁸ was able to brush away the suspicion with a simple explanation. Dr. Penck, he pointed out, was one of the foremost experts in physiography in the world; he had never been to Ballarat before, and might never get the chance of going there again; the geological structure of the neighbourhood was peculiarly interesting to a scientist of his training; and he preferred to examine earthfolds and quartz ridges than to eat the mayoral lunch!

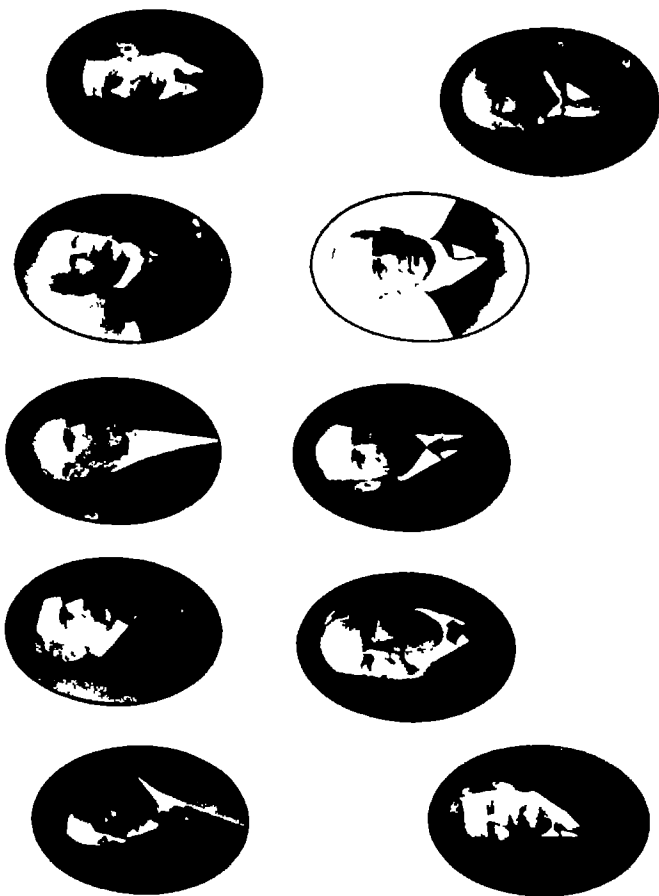
As to two of the German visitors, Dr. Pringsheim, a physicist, and Dr. Graebner, an anthropologist, there was, however, more serious trouble. Both were men of military age. They were informed that they would not be allowed to leave Australia unless they gave their parole that they would not become combatants. This they refused to do. They were detained after the rest of the visitors, including their compatriots, had left. They were, however, permitted to move about the country unrestrained, except for the obligation to report to the military authorities in each State

⁶⁸ Dr T. Griffith Taylor. Associate Professor of Geography, University of Sydney, 1920/28; Professor of Geography, University of Chicago, 1929/35, University of Toronto, since 1935; b. Walthamstow, Eng., 1 Dec., 1880.



3. SENATOR HON. EDWARD DAVIS MILLEN, MINISTER FOR DEFENCE,
1913-14; MINISTER FOR REPATRIATION, 1917-23

To face p 34



4. THE COOK GOVERNMENT, 1913-14

Top row (left to right) : Hon W H Kelly, Hon J S Clemmons, Hon J H McCall, Hon Agar Wymie, Hon L E Groom
Bottom row : Hon E D Mullen, Rt Hon Sir John Forrest, Rt Hon Joseph Cook, Hon W H Irvine, Hon P M Glynn

*By permission of the Commonwealth Government
 And War Memorial Collection No 42818*

which they visited. There was no disposition to treat them with any severity, and there appeared to be no reason why they should not be allowed to pursue their respective studies with no more than formal supervision during the currency of the war. Indeed, friendly influences were being exerted to obtain sustenance allowances for them from the Government. But these good offices were spoilt by the indiscretion of one of them, Dr. Graebner. An Australian scientist, who, moved by sympathy for their situation, was doing his utmost to assist them, tells what happened in these terms:

One day I was rung up by the Prime Minister's office and asked to call there. His secretary put in my hands a letter which Graebner had been fool enough to post to a friend in Germany, and which had been opened by the censor. I read only the first page, and handed it back disgusted; for it was a tissue of lies about his treatment here and about Australia generally. I said, "Shut him up," and they did, as doubtless they would have done without a word from me. The worst of it was that poor Pringsheim had to share his fate.

Except for these instances, the German scientists were given letters of safe conduct to London. Upon their arrival in England, the matter of their return to Germany was left to the British authorities, but it was not anticipated that there would be obstacles, nor were there any. Dr. Penck was detained for a short period, because he was known to be an expert in the geography of the Pacific, and might be able to furnish information valuable to the enemy. But as soon as the Pacific had been cleared of menace from German ships of war, Penck also was enabled to get back to Germany, where, in 1915, he published an interesting little book on his experiences in Australia and England—his *Von Englands festgehalten*, published at Stuttgart. It was a fair and truthful book, in which, as far as concerns its Australian pages, the author exaggerated nothing nor set down aught in malice.

VIII

A little after noon, on August 5th, Senator Millen was in his office in Melbourne in conference with Sir William Irvine, the Attorney-General, when the telephone bell rang. Senator Millen took the receiver off the hook and listened

He was connected with the barracks on St. Kilda road, where there was telephonic communication with Queenscliff at Port Phillip Heads. The Minister was informed that the German steamer *Pfalz*, which had left the Victoria Dock that morning at 7.45, was about to pass through the Heads. The *Pfalz* steamed away from Melbourne with a pilot on board before war was proclaimed. She had been boarded off Portsea by an officer from the *Alvina*, on examination service, some time before 11 o'clock. As her papers were in order there was no justification for stopping her. But, after permission was given to the *Pfalz* to continue her voyage, a message came through to the forts to stop her. The fire commander at Fort Nepean (Lieutenant Morris⁶⁹), receiving this order by telephone from Lieutenant-Colonel Sandford⁷⁰ at Queenscliff, pointed out that no intimation of any declaration of war had been received. Sandford telephoned to headquarters in Melbourne, asking for confirmation of his order that she should be fired on. At a moment so crucial for the Empire he did not wish to make any mistake. The ship had ignored a signal to stop, and if a shot across her bows did not stop her, his duty would be to fire into her.

Presumably he was informed by headquarters that this was the course to be taken. But, as the question had also a legal aspect, the Secretary for Defence endeavoured to find the Attorney-General and the Minister for Defence. His enquiry, made over the telephone, found them together, and touch was also gained with Mr. Garran⁷¹ at the Attorney-General's office. All three authorities laid down the same course. As it turned out, the *Pfalz* stopped after the first shot. How near it came to the firing of a second, even the fire commander did not know; but actually there was a struggle on her bridge, between the pilot and the ship's commander, before the order implied in that shot was obeyed.

⁶⁹ Major C. Morris. Member of Australian Permanent Forces; of Queenscliff and Montrose, Vic.; b. Cudham, Kent, Eng., 19 Feb., 1862. Died 19 Aug., 1935 (He served with the Aust. Siege Artillery in France, until wounded in Aug., 1916.)

⁷⁰ Brig.-Gen. A. H. Sandford. Commanded R.A.G.A., Vic., 1912/15, N.S.W., 1916/17; Commandant 4th Military District, 1915/16. Officer of Australian Permanent Forces; of Melbourne; b. Bedford, Eng., 16 May, 1860. Died 21 Jan., 1924.

⁷¹ Sir Robert Garran, G.C.M.G. C'wealth Solicitor-General, 1917/32. Barrister at-law; of Canberra and Sydney; b. Sydney, 10 Feb., 1867.

It was only when the pilot convinced him that the next shot would hit his ship that the captain gave way. In accordance with instructions conveyed by signal, he turned and steamed back to Portsea.⁷²

Many people in the southern suburbs of Melbourne and the places around Port Phillip heard that shot. Unless the strange Turkish outbreak at Broken Hill⁷³ be dignified with the title of an "act of war," this was the only shot fired during the war, as an act of war, within Australian territory. It is also claimed to have been the first shot fired by the British forces in the war. As a state of war between Great Britain and Germany had then been in existence but an hour or two, and on the other side of the world it was not yet dawn, the claim is possibly correct.

⁷² See the narrative of Pilot Robinson, who was in charge of the *Plals* at the time of the incident (*Vol. IX, p. 547*). The *Pfalz* was commissioned by the Navy Department as a transport, sailing with the Second Convoy in Dec., 1914. She was twice torpedoed in 1918, and was eventually transferred to the Commonwealth Government Line. An account of the movements of many other German ships on the outbreak of war is given in *Vol. IX*. It should be mentioned, however, that the statement in the first edition of that volume, that the shot fell near the stern of the *Pfalz*, is incorrect. The shot was fired from Fort Nepean across her bows; owing to the angle at which the ship was approaching, it fell abaft the beam, but some distance away.

⁷³ See p. 111.

CHAPTER II

THE POLITICAL SCENE

WHEN Mr. Cook forced the double dissolution he calculated that the Liberal party would be returned at the general election with substantial majorities in both Houses of the Federal Parliament. The Labour party, regarded simply as the political instrument of the trades unions, was not strong enough to win the election. Its leaders were well aware that, although the massing of the working-class votes in certain urban constituencies in the capital cities gave them a solid core of support, which would be faithful in all eventualities, victory would depend upon the disposition of the thousands of voters who were not pledged to either party, but whose political sympathies were swayed by independent interests, judgment, and feeling. The Liberal party managers reckoned that this "middle" vote would for the most part swing to the support of the Government, in order to put an end to the paralysing conditions which had prevailed in Parliament during 1913-14. The manipulators of the Labour political machinery were not confident that the estimates of their rivals were misjudged. In public both sides maintained the defiant optimism which proclaims the inevitableness of triumph; but in private there was a more pallid hope among the Labour leaders than in the opposite camp. The principal newspapers of the Commonwealth unanimously supported the Government; the Labour party commanded extremely meagre press influence. No dispassionate judge of the prospects would have said that the election was a foregone conclusion; probably most would have considered that the Liberal Government had the better prospects.

Between the two party leaders there was not much to choose in respect to character and ability. Both Mr. Cook and Mr. Fisher began life in cognate occupations; both had entered the political field through the Labour movement, Mr. Cook in New South Wales, Mr. Fisher in Queensland. They did not differ greatly in type of mind, intellectual equipment, grasp of principle, or depth of knowledge. Mr. Cook was, however, the better public speaker, more fluent, less rigid (where no principle was concerned), more resourceful, with

an ampler vocabulary. In addition to his quarter of a century of political activity, he had been a constant preacher in the Methodist Church; and perhaps the habit of delivering addresses on extra-political topics on Sundays gave him more facility than was possessed by his rival, who did not ordinarily make speeches more than six days per week. Neither leader, however, was particularly inspiring; the word "orator" would not be properly employed in characterising them. Mr. Cook had more polish, more finesse, than Mr. Fisher; Mr. Fisher more force, more fervour, than Mr. Cook. Mr. Fisher's rigidity was an asset to his party, and attracted the confidence of the unattached voter; but they were not the kind of leaders who command the allegiance of multitudes, who elevate policies into creeds, who fuse emotion with reason through the fire of genius. They were, in short, a pair of respectable, experienced politicians who in the lottery of party play had drawn winning tickets, and happened to be at the head of their respective political hosts at a moment of extreme importance.

The coming of war made demands upon the time and energies of the members of the Government which was advantageous to the Labour leaders, who were able to devote their attention mainly to electioneering. The volume of business requiring attention in the departments, the urgency of most of it, the freshness and complexity of the problems, kept Mr Cook and his colleagues chained to their offices in Melbourne, while their opponents were traversing the constituencies. The ablest man on the Ministerial side, the man whose character and status carried most weight throughout Australia, was Sir William Irvine, but he, as Attorney-General, was the least to be spared of all Ministers, except the Minister for Defence, because his advice was required on a multitude of points, often at a moment's call. The incessant exigencies of administration were a serious handicap to members of the Government at a time when, in normal circumstances, their personal advocacy would have made a more effective appeal throughout the country than could be the case when the principal members were obliged to attend to the pressing business of the war.

On the other hand, the real leader of the Labour opposition was Mr. Hughes, and he was a tireless and fiery spirit, at

times as fierce as a dervish or as solemn as a prophet. The speeches of the Labour candidates were largely echoes of the pronouncements of Mr. Hughes. He drafted the party manifesto; he pressed his pet project of cancelling the dissolution, till it was too late for revocation; he carried on a campaign by voice and pen, sparkling, ruthless, impetuous; his unflagging energy breathed determination and hope into the rank and file of the party. Above all, he showed a thorough appreciation of the stern realities of the war. That issue, and all it meant to the British political system, was never out of his thoughts in everything he said and wrote. If any elector had any doubt as to whether the Labour party, if returned to power, would direct all the resources of Australia towards the support of the British cause, the emphatic asseverated pledges of Mr. Hughes left no room for question. Those who considered that war policy must come first, and that domestic policies were entirely subsidiary, might well conclude that Mr. Hughes was at least as dependable a leader in that direction as any other of the foremost men in the political arena.

II

The general election took place on Saturday, September 5th. The polling results published on the following Monday made it sufficiently clear that the Labour party had won a decisive victory. The percentage of voters to electors enrolled was, for the House of Representatives, 73.53, a larger number than that recorded for any previous Federal election. When the counting was concluded, it was found that 31 seats in the Senate had been won by the Labour party, and only 5 by the Liberals, whilst in the House of Representatives the Labour party had captured 42 seats, the Liberals 32, leaving the odd seat to an Independent, who might be counted as generally a Labour supporter. In face of this emphatic verdict there was no course open to the Cook Ministry except surrender, and on September 10th the Prime Minister placed his resignation in the hands of the Governor-General.

At this date Mr. Fisher and Mr. Hughes were not available for consultation, not having returned to the seat of Government from their respective States. In accordance with

custom, therefore, the members of the Cook administration attended to the ordinary departmental business till their successors could be appointed. The Federal Labour party had since 1910 acted on the principle—laid down by a Labour conference in 1905—that the members of ministries supported by it should be chosen not by the Prime Minister, but by the whole parliamentary party. Until the members of the party could assemble in Melbourne, therefore, Mr. Fisher could not accept a commission from the Governor-General. But on September 17th the new Cabinet was complete, consisting of the following members:

Prime Minister and Treasurer	Mr. Andrew Fisher
Attorney-General	Mr. W. M. Hughes
Minister for Defence	Senator G. F. Pearce ¹
Minister for Trade and Customs	Mr. F. G. Tudor ²
Minister for External Affairs	Mr. J. A. Arthur ³
Minister for Home Affairs	Mr. W. O. Archibald ⁴
Postmaster-General	Mr. W. G. Spence ⁵
Vice-President of the Executive Council	Senator A. Gardiner ⁶
Assistant Ministers	Mr. H. Mahon ⁷ Senator E. J. Russell ⁸ Mr. J. A. Jensen ⁹

¹ Rt. Hon. Sir G. F. Pearce, K.C.V.O.. Member of C'wealth Senate 1901/38. Minister for Defence 1908/9, 1910/13, 1914/21, 1932/34; Acting Prime Minister, 1916; Minister for Home and Territories, 1921/6, External Affairs, and i/c Territories 1934/37; of Perth, W. Aust.; b. Mount Barker, S. Aust., 14 Jan., 1870.

² Hon. F. G. Tudor, M.H.R., 1901/22; Minister for Trade and Customs, 1908/9, 1910/13, 1914/16; of Richmond, Vic.; b. Williamstown, Vic., 27 Jan., 1866. Died 10 Jan., 1922.

³ Hon. J. A. Arthur, M.H.R., 1913/14; Minister for External Affairs, 1914. Barrister, of Bendigo, Vic.; b. Fryerstown, Vic., 1875. Died 9 Dec., 1914.

⁴ Hon. W. O. Archibald, M.H.A., S. Aust., 1893/1910; Member of C'wealth House of Reps., 1910/19; Minister for Home Affairs, 1914/15; Trade and Customs, 1916/17; of Adelaide, b. London, 3 June, 1850. Died 28 June, 1926.

⁵ Hon. W. G. Spence, M.L.A., N.S.W., 1898/1901; Member of C'wealth House of Reps., 1901/19. Postmaster-General, 1914/15; b. Orkney Islands, 1846. Died 13 Dec., 1926.

⁶ Hon. A. Gardiner, M.L.A., N.S.W., 1891/95, 1904/7. Member of C'wealth Senate, 1910/26, 1928. Assistant Minister for Defence, 1915/16; of Sydney; b. Orange, N.S.W., 1867.

⁷ Hon. H. Mahon, M.H.R., 1901/17, 1919/20; Postmaster-General, 1904. Minister for Home Affairs, 1908/9, External Affairs, 1914/16. Journalist, of Kalgoorlie, W. Aust.; b. Tullamore, Ireland, 6 Jan., 1858. Died 28 Aug., 1931.

⁸ Hon. E. J. Russell, Member of C'wealth Senate, 1906/25. Clerk, of Brighton, Vic.; b. Warrnambool, Vic., 10 Aug., 1879. Died 18 July, 1925.

⁹ Hon. J. A. Jensen, M.H.A., Tas., 1903/10 and 1922/36; Member of C'wealth House of Reps., 1910/19. Minister for Navy, 1915/17; Minister for Trade and Customs, 1917/18. Of George Town, Tas. Died Nov., 1936.

This Ministry remained in office till October, 1915, but with a few modifications of personnel. Mr. Arthur, a young Victorian barrister, died in December, 1914, and was succeeded as Minister for External Affairs by Mr. Mahon. The work of the Defence Department was found to be so heavy that a separate department was created to administer naval affairs, and this was placed under the control of Mr. Jensen in July, 1915.

Four of the members of the Government thus launched remained in office during the whole of the remainder of the war period, namely, Mr. Hughes, Senator Pearce, Senator Russell, and Mr. Jensen. The two first named, with the Prime Minister, were the ministers who signified most in the direction of policy.

III

Mr. Andrew Fisher, in his fifty-second year, now became for the third time Prime Minister. His first Ministry (1908) had lasted only seven months, his second (1910) twenty months. Now he was at the head of a cabinet which commanded a majority giving promise of long endurance. A Scotsman of Robert Burns's county, born in 1862, he brought his Ayrshire dialect with him when he emigrated at the age of twenty-three, and the "burr" of it would frequently remind his hearers of his nativity after thirty years of life in Australia, especially when he became excited in the midst of a parliamentary tumult. The pressure of necessity gave him few opportunities of acquiring education in his boyhood, for he was working in Scottish coal mines from his tenth year. As a coal miner he first found employment in Queensland, but it was on the Gympie goldfield that he found his feet as a politician. The Queensland Labour party began to take shape in the early nineties, and the Gympie electorate offered a favourable opportunity for an ambitious young political aspirant anxious to try his fortunes. In 1893 he secured election to the Queensland Legislative Assembly, lost the seat at the next election in 1896, won it again in 1899; and, when Federation came, offered himself as a Labour candidate for Wide Bay, which, as a larger Commonwealth constituency, contained the district wherein Mr. Fisher was well known. He

had already made his mark, as shown by the fact that when Mr. Anderson Dawson¹⁰ formed the first Queensland Labour government in 1899, he was given the portfolios of Minister of Railways and Minister of Public Works. But no more than a taste of office was vouchsafed by that venture, as the Dawson Government endured only five days. Entry to the first Federal Parliament in 1901, however, kindled higher ambitions. Mr. Fisher was one of the most strident of the stalwarts who supported the leader of the Labour party in the House of Representatives, and when Mr. Watson¹¹ became Prime Minister in 1904 the Ministry of Trade and Customs was entrusted to the vigorous Ayrshire-Queenslander whom his associates, including many of his opponents, called "Andy." In 1907 Mr. Watson retired from the leadership, whereupon the Federal Labour party elected Mr. Fisher as its leader; indeed, he succeeded by a kind of right, as he had acted as deputy-leader during the previous three years.

A strong-looking, square-jawed, firmly-built man, iron grey, fresh-complexioned, Mr. Fisher gave an impression of alertness, downrightness, and sincerity. His voice was harsh, even raucous, a voice capable of penetrating a hurricane or adding noticeable volume to the plaudits at a football match on Saturday afternoons. He had none of the graces of speech, the minimum of humour—or at least only enough to laugh at the more obvious humorous sallies of others—and no gift of eloquence of the polished sort. He could be vehement in attack, with the directness and clang of a hammer. But, despite his frequent ebullitions of the "*perfervidum ingenium Scotorum*" in speech, Mr. Fisher was essentially a cautious man. That he attended carefully and shrewdly to his private affairs was well known to his friends. He had a cultivated instinct for the value of money. He was assiduous in his attention to the details of administration, prompt in arriving at decisions, but essentially moderate in the courses which he favoured. One characteristic in particular endeared Mr.

¹⁰ Hon. A. Dawson M.L.A., Q'land, 1893/1901; Member of C'wealth Senate; 1901/6, Minister for Defence, 1904, b. Rockhampton, Q'land, 16 July, 1863. Died 20 July, 1910.

¹¹ Hon. J. C. Watson M.L.A., N.S.W., 1894/1901; Member of C'wealth House of Reps., 1901/10. Prime Minister of Australia, 1904; Hon. Organiser of Repatriation, 1915/16; President of National Roads and Motorists' Assn., of N.S.W., since 1920. Company director; of Sydney; b. Valparaiso, 9 April, 1867.

Fisher to those who knew him: his friendliness. The gentleness and affection which were so charming in his family circle were, in his relations with others, translated into a genial comradeship. He delighted in "doing a good turn" to anybody, and if he could oblige a friend he did it in a manner which gave grace to the act. He was a very easy man to work with, and obtained the most willing service from secretaries and officials because he treated them as personal friends with whom he was associated for the common good. If his conversational range was limited, it was nevertheless always a pleasant experience to spend an hour with him, because he was so frank, so free, so unspoiled, so quiet and willing to listen to views which did not coincide with his own. A more friendly man there was not in the politics of Australia in his time than Andrew Fisher; and the messenger who thought he was calling him "Andy" behind his back was hardly disconcerted when invited to do it always.

IV

Throughout the war period, the man who dominated Australian politics was William Morris Hughes, thrice Attorney-General, and Prime Minister from 1915 till 1923. The story of the career of this remarkable man is a romance exhibiting the triumph of natural ability over severe physical disadvantages and impediments of circumstance. He was born in Wales on the 25th of September, 1864, and received his earliest education at the Llandudno Grammar School. In his boyhood he spoke Welsh, and retained in manhood enough of the language to give quaintness to many an amusing anecdote. He once whimsically alleged, in addressing a Welsh audience in Melbourne, that it was intolerable that the people of Australia were allowed to grow up in ignorance of the Welsh tongue, "the finest language in the world, and without doubt that in which the first human courtship ran its course in the Garden of Eden." If the "Celtic temperament," as some believe, is rich in the qualities which exhibit themselves in exuberant energy, facility in speech, intensity and courage, perhaps Mr. Hughes is partly explicable by attributing to him a liberal endowment of it. But the

manifold experiences of an extraordinarily varied life, and the knowledge of mankind acquired in the course thereof, were probably of more substantial value.

His father, who was a carpenter, removing to London, young Hughes completed his education at St. Stephen's (or the Baroness Burdett-Coutts') school, Westminster. He was a quick pupil, particularly at his French, and, before he was thirteen, became a pupil teacher. The Baroness had him to stay at her home at Highgate. The school was periodically visited by Matthew Arnold who was then an inspector of schools under the Board of Education. He was friendly and encouraging to Hughes, and offered to get him a stool in Coutts' Bank; and we may be sure that it would have rejoiced the heart of that liberal critic, the poet of "The Scholar Gypsy" and the apostle of sweetness and light, could he have known that this shy lad would, after being somewhat of a scholar gypsy himself, emerge to fame as the Prime Minister of a great dominion.

A strange thing happened while he was still a lad. On London Bridge he saw another boy looking over at the unloading steamers. The youngster told him that he was the son of a Yarmouth skipper, and had come down by train from that town but had not the money to return. Young Hughes lent him thirty shillings, never expecting to see the money again. But after many days came a letter from Australia, returning the sum borrowed, and containing also the advice that this was a country where prosperity might be won. Surprised and impressed, Hughes determined to put the counsel to the test; and in 1884 he landed at Brisbane, full of hope but with no money, no prospects, and no endowment of robust health. During the next six years he was tempered in the rough school of experience. He was by turns a drover, a boundary rider, a seaman and a steward in a coastal vessel, a cook on a timber reservation, a fencer on a sheep station, a supernumerary in a Shakespearean theatrical company, a locksmith, an umbrella mender, a newspaper writer, and a bookseller. He took any work that offered. Always he was a student, but the rough life that he had led left him with one very serious defect. Once when after assisting to bring

cattle by train from Nyngan to Orange, he had arrived worn out, on a bitter night, and slept on the ground in the station yard, he caught a chill which resulted in the deafness from which he never recovered. One of his best portraits is a bronze bust in which the sculptor—a French artist—has represented him in a familiar attitude, with hand to ear to catch the words of a speaker. It was often said of him in the course of his political career that he found his deafness occasionally serviceable as an excuse for not having heard what it was not convenient for him to hear; and this reputation accompanied him to the Peace Conference at Versailles. A German chronicler describes a quarrel between President Woodrow Wilson and “the Australian Prime Minister, a man who knew how to put his defective hearing to good use.”¹² The jibe would have had more point if he had been a man who was ever at a loss for an effective reply in any contingency. But poignant retort was one of his never-failing accomplishments. In any company the liveliest of companions, there was hardly a story which he could not match with one drawn from his own experience and relate with pungency and verve. In public speech and under stress of excitement he could be waspish, a maker of stinging phrases, a “Rupert of debate” with all the recklessness of that flashing cavalry leader; but in the social circle his humour bubbled incessantly, and his wit sparkled with untiring zest.

The physical equipment of Mr. Hughes seemed to contradict the idea that he was capable of such energetic efforts as might fatigue a man of powerful frame. He was slight in build, and had a weak digestive apparatus; to feel thoroughly well was a rare experience for him.¹³ Yet protracted effort did not

¹² Karl Friedrich Nowak, *Versailles*, English translation by Thomas and Dickes, 1928, p. 66

¹³ There are many instances, ancient and modern, to remind us that a frame apparently weak may be the habituation of a vigorous character. The Latin epigram is one testimony to that effect

“Corporis exigui vires contemnere noli,
Consilio pollet, cui vim natura negavit.”

We may also remember Macaulay's description of Luxembourg and William of Orange when they encountered each other in battle: “It is probable that among the hundred and twenty thousand soldiers who were marshalled round Neerwinden under all the standards of Western Europe, the two feeblest in body were the hunchbacked dwarf who urged forward the fiery onset of France and the asthmatic skeleton who covered the slow retreat of England.” A more modern instance is that of the hero of South American independence, Simon Bolivar, “puny and ill-proportioned in body, of a worn, anxious and melancholy countenance.”

seem to exhaust him, and his alertness of mind appeared to acquire freshened facility as increasing demands were made upon him. His own comment upon his physical disabilities was that if he had had a "constitution" he "would have been dead long ago!"

Within ten years of Mr. Hughes's landing in Australia he was in the thick of political struggles. The great maritime strike of 1890 was disastrous for the trades unions which entered upon it, but out of it emerged the Labour party as a new force in Australian politics. Mr. Hughes in his extreme Labour days was never an advocate of the strike method of adjusting the relations of capital and labour. He discouraged strikes, though not always successfully. He stood strongly for "collective bargaining" through the instrumentality of industrial organisation, combined with political action. The lesson of 1890 was enforced by him as one which enjoined the dual method of advancing labour interests. After the strike he organised the waterside workers of Sydney and became the first secretary of their union, and he continued his intimate connection with the union until long after he became a member of the Federal Parliament. In 1894 he offered himself as a candidate for the representation of the Lang electorate in the Legislative Assembly of New South Wales, and was successful. As a member of parliament he favoured the creation of that system of "machine politics" which, though strenuously condemned by many Labour advocates at the time, was one of the factors which made the party formidable by reason of its disciplined solidarity in the coming years. Mr. Hughes, that is to say, favoured the compelling of members of the party to subscribe to a pledge which bound them, "on questions affecting the fate of a government, to vote as a majority of the Labour party may decide at a duly constituted caucus meeting."

With the coming of Federation Mr. Hughes transferred himself to the Commonwealth Parliament as member for West Sydney in the House of Representatives. During the first three years he made his mark as a critic under the leadership of Mr. Watson, the astute, chivalrous, and clear-minded leader whose services the Federal Labour party had the good fortune to command at the beginning of this new

phase of its history. His ready wit, his audacity, his power of scathing invective, made him a very effective lieutenant to his more urbane leader, and it was a foregone conclusion that when his party attained office an important portfolio would be available to him. The opportunity came in 1904 when the Deakin administration fell. In the previous year Mr. Hughes had completed his legal course at Sydney and been called to the bar. He might have had the attorney-generalship in the new Watson Government if he had been inclined to take it. But there were good reasons why he should not. He had as yet no standing as a lawyer, and it was important that the Labour party, at its first coming into office in the Commonwealth, should present to the country an appearance of competence which would gain for it general confidence. Another reason was that it was understood that Henry Bournes Higgins,¹⁴ a Victorian member whose position in the legal profession was unquestionably high, was prepared to take office in the government, though he had never been a proclaimed member of the Labour party. Mr. Hughes therefore accepted the Department of External Affairs and Mr. Higgins entered the Cabinet as its official legal member. He, however, had gone to the High Court bench when the second Labour Government came into office in 1908 under Mr. Fisher's command, and Mr. Hughes then took the attorney-generalship, as he did also in the second Fisher administration. Now, in the government which was to face the problems of war in 1914, Mr. Hughes was again Attorney-General.

V

In the Senate, Government business was in the capable and experienced charge of the Western Australian Senator, George Foster Pearce, who resumed the office of Minister for Defence, which he had held in the two previous Fisher ministries. He was by birth a South Australian, born in 1870. In his early manhood the great era of Western Australian gold-mining began, and he, a carpenter by trade, went to the diggings to

¹⁴ Hon. Mr. Justice Higgins. M.L.A., Vic., 1894/1900; Member of C'wealth House of Reps., 1901/6; Attorney-General, 1904; Justice of the High Court of Australia, 1906/29, and President of C'wealth Court of Conciliation and Arbitration, 1907/21; of Malvern, Vic.; b. Newton Ards, Ireland, 30 June, 1851. Died 13 Jan., 1929

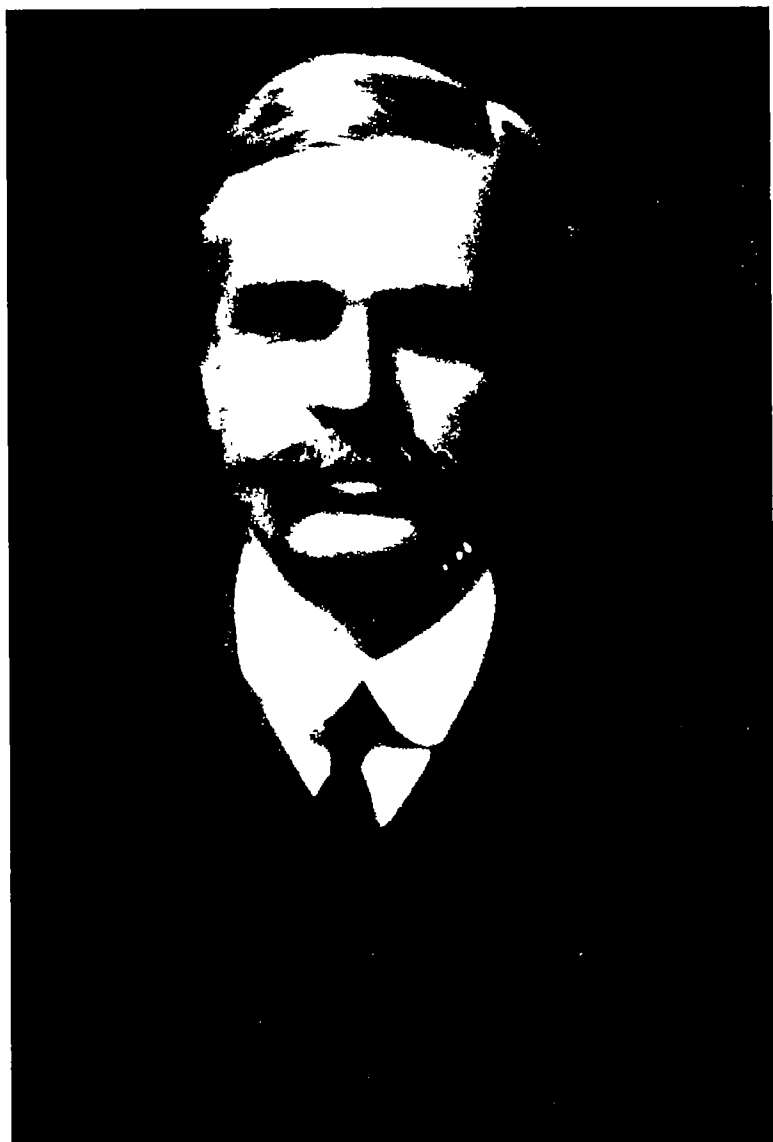
improve his fortunes. Trade union organisation attracted him, and he rapidly acquired influence in the movement, becoming secretary of the United Trades Council at Perth in 1896. The presidency of that body was conferred upon him three years later. He was therefore a leading man in Western Australian Labour politics when Federation was achieved. It was natural that he should become one of the Labour party's candidates at the first Federal election. He gained one of the Senate seats, and, despite drastic changes in political grouping, was still a Western Australian senator after 35 strenuous years, thus achieving the distinction of being the only member of the Senate with an unbroken record of service throughout the years preceding the war, through the war years in which he was continually a minister, and through the post war period. Other Labour senators had claims of seniority over him when the Watson Government was formed in 1904; but in 1908 he became a member of the first Fisher cabinet. During his second period of office as Minister for Defence, in 1910-13, it fell to his lot to initiate the system of compulsory military training, in accordance with the recommendations of Lord Kitchener's report on Commonwealth defences; and it was also under his administration that the Royal Military College was established at Duntroon in 1911. Senator Pearce therefore was an experienced administrator of the department which bore the brunt of the organisation of armies when he was again put in charge of the Defence Department in 1914.

Aptitude for assiduous application to business, and lucid exposition, distinguished Senator Pearce as an administrator and a parliamentarian. He took great pains to understand the technique of army organisation. He was willing to learn from his experts, and, when a course of action was determined upon, he backed them up in a manner that won their confidence because they knew that they had his. In the Senate, a period as chairman of committees (1906-8) made him familiar with parliamentary practice, a knowledge which he turned to good account when he became the chief exponent of government policy in that chamber. He always thoroughly understood the business in hand, and was at his best in explaining the text and purpose of a piece of proposed legislation, however

complicated it might be. Mastery of detail was his outstanding quality. Some critics said that he gave too much attention to detail; but the line between the "too much" and the "too little" is hard to draw, and it certainly is not a defect for a parliamentary leader to be familiar with the intricacies of the bills which he has to explain and the mass of political business which has to be transacted. In this capacity Senator Pearce had learned much from the first leader of the Senate, Richard Edward O'Connor,¹⁵ whose early removal to the Bench deprived the House of a striking personality, as a few years later his death deprived the judiciary of a brilliant and learned judge. O'Connor set a standard in Senate leadership, and, though Senator Pearce was his opponent in politics, he was, perhaps not quite consciously, his pupil, and one of whom his master would have thought well.

In the administration of his department Pearce was prompt, decisive, and prone to prolonged exertion. There are ministers who find a difficulty in arriving at decisions, and postpone action for weeks. Nothing is more exasperating to the officers of a department than to have at the head of it a minister who takes papers home in his bag, sleeps upon them, forgets them, and holds up business while he is making up his slow and hesitating mind; or who allows important questions to slip into the background of his consciousness while he concerns himself with the more spectacular business of politics. There were ministers of this kind in Australia during the war, perfectly earnest men, but dilatory in their determinations. Pearce was the very opposite kind of minister. There are hundreds of files of papers with his minutes written upon them, and the dates show with what expedition he attended to matters of business, and how keen he was that the Minister's office should not be the sticking-place where decisions lagged for lack of propulsive energy. Nor is it true that he allowed himself to be controlled by his officers. Being a man of practical good sense, he naturally took the best advice he could get, and the saying that "Pearce will always listen to what you have to say" was justified. On purely technical matters

¹⁵ Hon. Mr. Justice O'Connor. M.L.C., N.S.W., 1887/98; Member of C'wealth Senate, 1901/3; Justice of the High Court of Australia, 1903/12; b. Sydney, 4 Aug., 1851. Died, 18 Nov., 1912.



5. RT. HON. ANDREW FISHER, PRIME MINISTER OF AUSTRALIA, 1914-15

*Photo by Broothorn, Melbourne
Aust War Memorial Collection No H16060*

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6 THE FISHER GOVERNMENT, 1914-15

Top row (left to right). Hon W O Archibald, Hon J A. Arthur
Hon H. Mahon, Hon E J Russell, Hon J. A. Jensen. *Centre* Hon.
A Gardiner, Hon W M. Hughes, Hon. F G Tudor, Hon. G. F Pearce,
Hon W. G Spence. *Bottom.* Rt Hon Andrew Fisher

*By permission of the Commonwealth Government
Aust War Memorial Collection No. A2819*

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he was anxious to know what conflicting views there might be concerning points which had to be settled. But he took trouble to form his own opinions, and never spared himself in seeing for himself, if the question were one as to which personal inspection was desirable. He would then write upon the file a short, clear, often emphatic minute of instruction, and the initials "G.F.P." at the end thereof meant always that the Minister would take full responsibility for what was done. It is literally true that thousands of decisions had to be made by him on matters of the utmost urgency and importance during the war, and it is doubtful whether any one of them was delayed a day through lack of attention by him.

VI

Of the other members of the Ministry, Mr. Spence was the veteran founder of the most powerful trades union in Australia, the Amalgamated Shearers' Union, afterwards enlarged into the Australian Workers' Union. Once the *bête noir* of the squatters and their advocates, he had become in the ripeness of his years a genial, pleasant-spoken, mild-mannered man. Mr. Tudor was the representative of the strongest Victorian Labour constituency, Yarra; not an outstanding man, but assiduous and trusted by his party. He was to be a more prominent political figure after the raising of the conscription issue, when he became the official leader of that section of the Labour party which refused to follow the leadership of Mr. Hughes. Mr. Arthur did not live long enough to make his mark, as he died in December, 1914. He was a young lawyer of scholarly aptitudes, with a suave and easy manner. Mr. Mahon was the member for Kalgoorlie, an Irishman with "a past" born of the storm and stress of Irish Parnellite politics, and an undeviating loyalty to the Church of his fathers; a journalist who wielded a pen capable of rendering serviceable aid to the causes to which he devoted himself. Mr. Archibald and Senator Gardiner were stalwarts of the Labour party, the former from South Australia, the latter from New South Wales. Mr. Jensen, of Scandinavian origin, was a Tasmanian representative. When in July, 1915, the navy, hitherto administered by the Defence Department, was

given a department of its own, he was placed in charge of it. Later in the war, after he had been transferred to another office in the Government, his administration of the naval department fell under very grave criticism in connection with certain government business activities.¹⁶ Senator Russell, a Victorian, was the youngest member of the Ministry.

The new government entered upon the control of Commonwealth affairs in what appeared to be fairly favourable circumstances. It had solid majorities in both Houses of the Federal Parliament. The Liberal opposition was resolved to assist in everything relating to war policy. There was not a breath of suspicion as to the *bona fides* of the Labour party's leaders when they pronounced themselves convinced that the prosecution of the war was the most urgent of all issues, and that they intended to exert themselves to the utmost to this end. The country entrusted them with the responsibilities of office because it was convinced that they meant what they said upon this crucial point. No member of the cabinet had uttered a syllable that could be interpreted as casting a doubt upon his complete acceptance of the pledges repeatedly given by Mr. Fisher and Mr. Hughes. The war was a great, a strenuous, an absorbing business; but upon the local political horizon there was not a cloud when Parliament settled down to the work of the session.

VII

The disposition of the Opposition to assist the Government in war policy was clearly manifested in the handling of two bills of great importance, the Trading with the Enemy Bill and the War Precautions Bill. Both were in charge of Mr. Hughes. The former made any active trading with any country with which the Empire was at war a statutory misdemeanour. The second reading of the War Precautions Bill was moved in the House of Representatives on October 28th. Its aim, as Mr. Hughes explained it, was to prevent the disclosure of important information, to give power to deport and otherwise deal with aliens, to interrogate them and obtain information in various ways, and to enable officers

¹⁶ See p. 282

to be appointed to carry into effect any orders or regulations which might be made under the measure.¹⁷ The enormous powers conferred upon the Government by clause 6 could not escape attention. It provided that:

Any person who contravenes or fails to comply with any regulation or order made in pursuance of this Act shall be guilty of an offence against this Act. Penalty, one hundred pounds or six months' imprisonment or both.

Mr. Hughes informed the House that he had told the Leader of the Opposition privately that the Government had a reason for wanting to get the bill through quickly. "I assure you," he said, "that the present law is not sufficient for our purpose." Mr. Cook answered: "I must accept that statement." It was pointed out in the course of the debate that the bill was fraught with danger in consequence of the powers which it gave to frame regulations to do nearly everything that the Government might desire to do. "Would it not be more dangerous," asked the Prime Minister, "to take too little than too much power?" Sir William Irvine pointed out that the powers given were "enormous," but, he declared, "if the Government say that it is essential to have these powers I raise no objection."¹⁸ Mr. Watt¹⁹ thought that the Government was wise in asking for the widest powers.²⁰ Not a voice was raised against the bill. The Opposition was completely compliant; the supporters of the Government said nothing whatever. The bill was passed through the House of Representatives without a single division or a single amendment; was sent up to the Senate the same day; and the standing orders were suspended in that House to enable it to pass through all its stages without delay. That was done, and the War Precautions Bill became an act of parliament within the shortest possible time allowed by parliamentary procedure. Yet scores of the most far-reaching regulations were made under that act and its later amendments; it legalised the censorship; it gave control over newspapers; it penalised

¹⁷ *Parliamentary Debates, 1914, Vol. LXXV, p. 369*

¹⁸ *Parliamentary Debates, 1914, Vol. LXXV, p. 372.*

¹⁹ Rt Hon. W. A. Watt. M.L.A., Vic., 1897/1900, 1902/4; Premier of Victoria, 1912/14; Member of C'wealth House of Reps., 1914/29; Minister for Works and Railways, 1917/18, Treasurer, 1918/20; Acting Prime Minister, 1918/19; *Speaker*, 1923/26. Investor and Company director; of Toorak, Vic., b. Kyneton, Vic., 23 Nov., 1871.

²⁰ *Parliamentary Debates, 1914, Vol. LXXV, p. 373.*

the spreading of reports likely to cause disaffection or public alarm; substantially it established military control; and it was, according to legal opinion, wide enough to have enabled the Government to inaugurate conscription by regulation if it had been politically expedient to do so.

The provision in the Defence Act which virtually required the Commonwealth Government to pass this act, rendered possible that centralisation of authority which was found to be imperative in the Australian federation in war-time. The State governments themselves, usually so jealous of their powers, were at various times forced to seek this centralisation—for example, in the wheat control—through the obvious need for Australia to act as a unit in war-time. Until the case of *Farey v. Burvett*,²¹ the Commonwealth Government itself was uncertain as to the limits of its powers; but, after the decision of the High Court in that case, it was clear that it had power to make laws with respect to everything that might contribute to victory in war. The result was that during the war, in respect of everything that affected the carrying on of war, the federation was practically unified, the power of the central government being unlimited. It is related that Mr. Bavin²² entered the room of Mr. Garran, Solicitor-General for the Commonwealth, to consult him on a point that had arisen. "Would it," he asked, "be an offence under the War Precautions Regulations——?" "Yes," said Garran, without waiting for him to finish. Bavin retorted: "That's the soundest and shortest opinion I've heard you give."

The one serious parliamentary storm of the months between the outbreak of the war and the end of the year 1914 did not relate to a question of policy or administration connected with the war itself, but to a bill to amend the Commonwealth Bank Act. The purpose of the bill was to increase the capital and powers of the bank, which at this time was the object of some amount of suspicion by a group of members of the Opposition. Sir William Irvine moved an amendment for the appointment of a select committee to inquire into the

²¹ See p. 642.

²² Hon. Sir Thomas Bavin, K.C.M.G., M.L.A., N. S. Wales, 1917-35; Premier, 1927/30. Judge of Supreme Court, N. S. Wales, 1935; of Sydney; b. Kaiapoi, N.Z., 5 May, 1874.

control and development of the Commonwealth Bank, the transfer to it of the management of the note issue, and the relations between the bank and other financial institutions. The issues were not such as ordinarily electrified the parliamentary atmosphere, but tempers became somewhat frayed as the sittings were prolonged into the hot December weeks. The Speaker called an Opposition member to order for irrelevancy; the ruling was challenged by Mr. Massy Greene,²³ the member for Richmond (New South Wales); the leader of the Opposition supported his follower, and the contest between Mr. Greene and the Speaker waxed furious. Ministerial supporters loudly upheld the Speaker's ruling, and Mr. Cook denounced them as "howling dingoes."

At length Mr. Greene was suspended by the House, and Mr. Cook, declaring that he would not "take any further part in the proceedings on account of the tyrannical way in which the Speaker conducts them," led the Opposition members from the chamber. The Prime Minister then submitted and the House carried the motion that "The right honourable member for Parramatta, Mr. Joseph Cook, be suspended from the service of the House until he returns with Mr. Speaker's consent and apologises to Mr. Speaker." Mr. Cook made his peace on the following day by writing a letter to the Speaker in which, whilst declaring that he had been "smarting under a very keen sense of injustice," he nevertheless recognised that the expression used by him in the heat of debate was one which should not have been uttered, and he therefore unreservedly withdrew it and tendered an apology. The apology was offered and accepted on the last day of meeting in 1914; and the incident would not have been worth mentioning in this place except that it illustrates the striking difference which at this time prevailed between the substantial unanimity with which Parliament dealt with issues relating to the war, and the passion which was apt to burst into flame when ordinary political questions were under consideration.

Mr. Fisher's tactful management of business, and his anxiety to meet the convenience of the Opposition in the

²³ Hon. Sir W. Massy Greene, K.C.M.G. Member of C'wealth House of Reps. 1910/22; of Senate, since 1923; Minister for Trade and Customs, 1919/21; Minister for Defence and for Health, 1921/23; Asst. Treasurer, 1932/33. Company manager; of Sydney; b. Wimbledon, London, 6 Nov., 1874.

arrangement of parliamentary work, contributed materially to the maintenance of good relations on war questions. Mr. Cook would have liked Parliament to postpone all other business than that relating to the war. Ordinary social legislation, he held, should wait for more propitious times. Parliament should devote itself exclusively to the one predominant issue, leaving the Government "free in the exercise of its executive functions and responsibilities to do what is needful for the vigorous prosecution of the war."²⁴ But Mr. Fisher considered this a mistaken idea of the function of Parliament. "I think," he said, "we shall be no less able to provide the fighting power necessary, here and elsewhere, if we carry on our ordinary avocations, including our parliamentary duties, than we should be if we were to retire altogether from parliamentary service, and simply await events."²⁵

²⁴ *Parliamentary Debates*, Vol. LXXVI, p. 2364.

²⁵ *Ibid.*, p. 2368.

CHAPTER III

THE CENSORSHIP

UNFORTUNATE necessities of warfare are the imposing of restraints upon the publication of news, since items of information may be valuable to the enemy, and exercising vigilance over cablegrams and letters. Every commander who has directed the operations of armies has taken precautions to maintain secrecy. The anxieties of generals on this account have been increased in modern times by the ubiquitous industry of the representatives of newspapers, and their avidity to obtain news for publication. Napoleon was not troubled so much by press activities as generals in more recent wars have been, for the press was not so capably organised in his time as it is to-day; but even he was often perplexed because French newspapers published items which he knew would be precious to his enemies. Hence his direction in 1800 that the Minister of Police should notify all editors of journals that they should not print any information relative to the movements of armies and fleets. Yet notwithstanding his frequent directions he had to complain of the indiscretions of a press which certainly did not wish to offend. "If a squadron is expected at Toulon," he said in one despatch, "I do not see why the *Journal de Paris* should have the grace to warn all Europe about it."¹ In the American Civil War, General Sherman made bitter complaints concerning the manner in which his plans were revealed to the commanders of the Confederate armies by newspapers which, being on the Federal side in the great issue, should have been eager to promote the success of his operations. We find Sherman writing:

Who gave notice of McDowell's movement on Manassas, and enabled Johnston so to reinforce Beauregard that our army was defeated? The press. Who gave notice of the movement on Vicksburg? The press. Who has prevented all our secret combinations and movements against our enemy? The press.²

¹ In Colonel Picard's *Précipies et Jugements de Napoléon* there are five pages of extracts from Napoleon's correspondence on this subject.

² *The Sherman Letters*, under date Feb. 1863.

So seriously, indeed, did newspaper revelations prejudice the Northern cause that several editors were imprisoned and journals in cities as important as New York, Chicago, and Baltimore were suspended or totally suppressed.⁸

Australia had had no experience of the restraints which war conditions imposed upon the liberty of the press, and when the censorship began to operate it seemed to many persons, of whose loyal disposition there could be no question, that an assault was being committed against one of the bulwarks of democracy. It was startling to learn that news which had been passed by the censor in Great Britain was prohibited from publication when cabled to Australia. The appearance of armed guards under the command of officers at the business premises of firms trading under names of German origin, with instructions to search for documents, conjured up visions of military rule totally out of harmony with Australian traditions. Protests were voiced in Parliament. It is significant of the complete acceptance by the Labour party of the war policy of the Fisher Government that these protests did not emanate from members of that party, but from the Liberal opposition. Mr. Cook became anxious, and condemned the censorship in his most scathing style. But Mr. Fisher firmly upheld the actions of the censor's staff. He offered to take the Opposition leaders into his confidence, and to have a formal consultation with them, if they required evidence that what had been done was necessary; he would not promise, however, to prescribe the censor in the execution of his duties. He would not even allow that things said in Parliament should be published, if publication were militarily undesirable.

Some things might be said in this Parliament (he declared) which we, possessing the knowledge we have, would know would, if published, militate against the interests and the welfare of the country. We should not, in such circumstances, allow its publication.⁴

It was sometimes alleged that the remoteness of Australia from the theatres of war minimised the need for a strict censorship. This view cannot survive an examination of the

⁸ See J. G. Randall on "The Newspaper Problem in its Bearing upon Military secrecy during the Civil War," *American Historical Review*, XXIII, 303.

⁴ *Parliamentary Debates*, Vol. LXXVI, p. 3345

files of papers in the archives of the Commonwealth Government. In spite of the vigilance of the censors, who were on duty at the Post Office, and who opened thousands of doubtful letters, in spite of the supervision exercised over newspapers, in spite of the "shadowing" of hundreds of suspected persons, the German Government was repeatedly advised—sometimes in an exaggerated form, but with sufficient accuracy for its purpose—of events in Australia. It knew something about the internment camps and things connected with the commercial interests of its subjects in this quarter of the globe. According to the report of the Deputy Chief Censor on one occasion action taken in Australia was reported in a Berlin newspaper within seventy-two hours. From the promptness with which it moved neutral countries to intervene whenever there was reason for such action, and from the nature of the information upon which it based its requests, we can infer that the intelligence department of an enemy with a genius for organisation and with highly trained capacity in its service, was alert and vigilant.

On the other hand, the German censorship was occasionally defeated by indiscreet letter-writers in correspondence with friends in Australia, and details which it was inexpedient to permit to reach the Allies were passed on to them from this distant source. Thus, in January, 1916, a German in a letter to a relative in Australia deplored that "the strong men are all in the field, and now the unfit are called in, and every man who can walk has to be a soldier." Evidence of such facts was, however, reaching the Allies in abundance from other sources, and the value of such letters was thereby lessened.

II

Preliminary steps to establish a censorship in Australia were taken before the declaration of war. On the 2nd of August, 1914, the Secretary of State cabled to the Governor-General directing attention to the preface to the defence scheme, which provided for supervision of cables and the prevention of the publication of news likely to be useful to the enemy. The machinery for the censorship in Australia had been planned by General Bridges, and on August 3rd the *Commonwealth Gazette* proclaimed the "establishment of a

ensorship of all cable and wireless communication throughout the Commonwealth" from 5 p.m. on that day. The newspapers became aware on the same day that a censorship had assumed control at the London end of the cable, as indicated by an announcement published by the Melbourne *Argus* on August 4th:

We have received no cable messages from London since 10.15 o'clock last night. The fact must be regarded as implying that, for reasons which we can only surmise, but which point strongly to the urgent need of precautionary measures, a very strict censorship is being exercised by the British Government.

The Chief Censor at the War Office was immediately advised of the action taken in Australia; and throughout the war there was complete co-operation between the Deputy Chief Censor, whose headquarters were in Melbourne, and the Chief Censor's Department in London. There were regular exchanges of information between the censorship officers throughout the British Empire, and the consular service, with its far-flung ramifications, gave valuable assistance. Sometimes a British consul in a foreign country would hear something about a person resident in Sydney or Brisbane, and would immediately write communicating what he had heard to the Australian authorities. Reports of experiences were mutually communicated, and suggestions offered. At the end of the war, the Chief Postal Censor in London expressed his warm thanks for the "most accurate and useful" reports which he had received from his Australian colleague, and his conviction that "the Australian censorship has been a model institution."⁶

The chief officer of the Australian censorship staff bore the title of "Deputy Chief Censor (Australia)." The first to hold this position was Colonel M'Cay,⁶ who commenced duty on the evening of August 3rd. He organised the headquarters staff, and directed the establishment of the district censors' offices, with stations at Brisbane, Sydney, Melbourne, Adelaide, Hobart, and Perth. At later dates sub-stations were established at Launceston, Darwin, Thursday Island, Port Moresby, and Rabaul. Colonel M'Cay was almost immediately

⁶ Appendix to Censor's report; *mss.*, Intelligence Department

⁶ Lieut.-Gen. Hon. Sir J. W. M'Cay, K.C.M.G., K.B.E., C.B., V.D. M.L.A. Vic., 1895/99; Member of C'wealth House of Reps., 1901/6; Minister for Defence 1904/5. Commanded 2nd Aust Inf. Bde., 1914/15, 5th Aust. Div., 1916. A.I.F. Dépôts in the United Kingdom, 1917/19; barrister and solicitor; of Castlemaine; b. Ballynure, Ireland, 21 Dec., 1864. Died 1 Oct., 1930.

appointed to the command of a brigade in the Australian Imperial Force, and on August 10th Lieutenant-Colonel Tunbridge⁷ was chosen to succeed him as Deputy Chief Censor. A few days later this officer also was appointed to the A.I.F., and was succeeded by Colonel Monash,⁸ who assumed office on August 17th. Colonel Monash, afterwards to attain great distinction as a field commander, was in the censor's chair for only a little more than a month. On his appointment to command the 4th Infantry Brigade, he was succeeded, on September 23rd, by Colonel Hall.⁹ The system was in full swing when Colonel Hall took charge, and the files of the office show with what tact, good humour, and energy he directed the work during sixteen strenuous months. He remained at his post until compelled by ill-health to retire, and was succeeded on the 31st of January, 1916, by Lieutenant-Colonel McColl,¹⁰ who had been on the censorship staff from the earliest days of the war. Colonel McColl continued at the head of the service till peace was proclaimed, relinquishing office on the 8th of September, 1919, when Captain Hayes¹¹ was appointed Deputy Chief Censor with the task, chiefly, of winding up proceedings.

The censor's staff, including headquarters and district officers, was a fairly large one. From first to last 530 persons were employed. Many of these, however, were engaged for temporary purposes, such as translating from the more recondite languages. The maximum number employed upon the service in any one year was 187 in 1918; the minimum number was 124, in 1914.

The headquarters staff consisted of press censors, postal censors, interpreters, and the usual equipment of typists, clerks, and secretaries. The personnel of the censorship staffs in the six military districts of the Commonwealth changed

⁷ Brig.-Gen. W. H. Tunbridge, C.B., C.M.G., C.B.E., V.D. Director of Mechanical Transport Services, A.I.F. and S.M.T.O. Aust. Corps, 1917/19; architect; of Toorak, Vic.; b. Dover, Eng., 2 Nov., 1856.

⁸ General Sir John Monash, G.C.M.G., K.C.B., V.D. Commanded 4th Aust. Inf. Bde., 1914/16, 3rd Aust. Div., 1916/18, Aust. Corps, 1918; Director-General Repat. and Demob. Dept., London, 1918/19; Chairman of Commissioners and General Manager, State Electricity Commission of Victoria, 1919/31; of Melbourne; b. Flagstaff Hill, Melbourne, 27 June, 1865. Died 8 Oct., 1931.

⁹ Col. W. H. Hall, V.D. Deputy Chief Censor, 1914/16; of Clifton Hill, Vic.; b. London, 30 Nov., 1847. Died 17 Feb., 1928.

¹⁰ Col. G. G. McColl, C.B.E. Deputy Chief Censor, 1916/19; investor and company director; of Melbourne; b. Bendigo, Vic., 25 July, 1858. Died 14 June, 1938.

¹¹ Capt. R. H. Hayes. Deputy Chief Censor, 1919/20; barrister-at-law; of Melbourne; b. Prahran, Vic., 9 May, 1887. Died 2 Jan., 1924. (He had previously served with the 6th L.H. Regt. in the Gallipoli campaign.)

during the course of the war.¹² The interpreters were for the most part temporary officers, employed to assist when letters in foreign languages had to be read. They included experts not only in the chief European literary languages, but also Syrians, Greeks, Turks, Poles, Serbs, Magyars, Scandinavians, Czechs, Finns, Persians, Chinese, and Afghans. Sometimes the knowledge of the linguist had to be supplemented by the skill of the chemist, when "invisible writing" had to be deciphered.

When the war began, there was no officer in the Australian defence services who had studied in detail the methods of censorship, and there was no experience upon which to draw. The entire staff had to be trained for the work—often very difficult and delicate—entrusted to it. A few general guiding principles could be laid down, but as the business was entirely novel, and the men in charge of it were necessarily left with a large discretion, it was natural that inconsistencies should occur. There was, too, an enormous mass of work to be done, causing delay which was irritating to those who felt the pull of the censor's rein. But as the experience gained during the first weeks of the war was co-ordinated, and as more specific instructions were given to the officers who did the daily work of censorship, there was less cause for complaint. Censors were directed to be invariably courteous,

¹² The following officers served as district censors, their staffs, which were generally larger than the headquarters staff, consisting of assistant censors, interpreters, and clerks:—

1st Military District (Q'land): Lieut.-Colonel T. Pye, from 6 Aug., 1914, to 3 Jan., 1915; Captain A. J. Gibson, from 4 Jan. to 2 Apr., 1915; Captain H. C. Coxen, from 3 Apr., 1915, to 31 Dec., 1916; Captain J. J. Stable, from 1 Jan., 1917, to 17 May, 1919; Mr. J. Botten from 18 May, 1919

2nd Military District (N. S. Wales): Lieut.-Colonel J. T. Wilson, from 4 Aug., 1914, to 31 Dec., 1915; Capt. L. F. M. Armstrong, from 1 Jan., 1916, to 31 Mar., 1916; Prof. G. G. Nicholson, from 4 Apr., 1916, to 31 Jan., 1919; Mr. M. L. MacCallum, from 1 Feb., 1919, to 17 Mar., 1919; Mr. H. A. Rorke, from 18 Mar., 1919, to 6 Mar., 1920.

3rd Military District (Victoria): Lieut.-Colonel W. H. Tunbridge, 3-9 Aug., 1914; Lieut.-Colonel C. H. Davis, from 10 to 17 Aug., 1914, and from 11 Sept., 1914, to 29 Feb., 1916; Lieut.-Colonel F. S. Newell, from 9 Mar., 1916, to 1 Aug., 1917; Colonel J. J. F. Humphris, from 1 Aug., 1917, to 18 Nov., 1917; Lieut.-Colonel Newell, from 19 Nov., 1917, to 25 Mar., 1918; Captain C. Finlayson, from 25 Mar., 1918, to 4 Nov., 1919.

4th Military District (S. Aust.): Colonel B. Solomon, from 5 Aug., 1914, to 15 Mar., 1916; Major T. H. Smeaton, from 16th Mar., 1916, to 6 Mar., 1920.

5th Military District (W. Aust.): Captain H. A. Corbet, from 4 Aug., 1914, to 31 Mar., 1915; Major C. R. Davies, from 1 Apr. to 1 May, 1915; Colonel J. C. Strickland, from 2 May, 1915, to 22 Nov., 1916; Captain C. H. Hill, from 23 Nov., 1916, to 21 Sept., 1919.

6th Military District (Tasmania): Lieut.-Colonel G. E. Harrap, from 1 Nov., 1914, to 1 Oct., 1916; Colonel W. Martin, from 2 Oct., 1916, to 31 Jan., 1917; Lieut.-Colonel Harrap, from 1 Feb., 1917, to 26 Feb., 1919; Major F. Harbottle from 27 Feb. to 30 June, 1919.

and there is an abundance of evidence on the files that the chief censor and his staff in this respect followed the injunction given to the district officers, doing their best to avoid inconveniences, and willing to explain their action in cases where it was not inexpedient to do so. All connected with the censorship were sworn to secrecy, and one of the noticeable features of the administration is that there was no recorded dereliction or breach of faith on the part of any member of the staff throughout the war period.

The cost of the censorship to the Commonwealth from 1914 to 1918 was not more than £175,000. No accurate calculation can be made of the value of products, intended to reach the enemy through allegedly neutral intermediaries, which were held back through the vigilance of the censor's staff; but there was one striking instance in which tallow to the value of £250,000 was prevented from being shipped for enemy use, and it was considered that, in addition to this case, at least £500,000 worth of goods were similarly checked. At the close of the war, too, the censorship held fiduciary instruments to the amount of £151,172, in the form of bills of exchange, bank drafts, letters of credit, and money orders, all sought to be transmitted to enemy subjects through neutral countries.

III

There was general willingness on the part of newspaper proprietors to conform to the rules laid down by the censor, but in the beginning it was not always easy to determine what the rules were, nor was there always co-ordination between the branches of the government service as to what should be published and what ought to be prohibited. Complaints were consequently frequent as to lack of uniformity of treatment. The censor was frank in his admission that this defect existed. It was due, he considered, to (a) the inexperience of officers in the early stages; (b) the distance of some of the stations from headquarters; (c) the recalcitrance of a limited section of the press; and (d) the fact that censorship was an entirely novel experience in Australia, "and ran counter to the very deeply rooted customs and prejudices of this country."¹⁸ Two things, however, strengthened the hands of the censor

¹⁸ Censor's report, to 31 Jan., 1915; *mss.*, Intelligence Department.

in his relations with the press, and also gave to editors clearer guidance than they had during the early months of the war. The first of these was the passing by Parliament of the War Precautions Act (No. 10 of 1914), which, by Section 4, provided that—

The Governor-General may make regulations for securing the public safety and the defence of the Commonwealth and for conferring such powers and imposing such duties as he thinks fit with reference thereto, upon the Naval Board and the Military Board and the members of the Naval and Military Forces of the Commonwealth.

Regulations made under this far-reaching provision gave to the censor the power that he required for the efficacious performance of his functions. The second means of clarifying the relations of the censorship and the press was the issue, on September 28th, of a set of general instructions for newspapers. These were revised from time to time in the light of experience, the last revision being issued on the 30th of June, 1918.¹⁴

Six regulations under the War Precautions Act armed the censorship with its authority. The first of these (Regulation 19) made it an offence for any person to publish, communicate, or attempt to elicit any information with respect to the movements of ships or military forces, or with respect to military or naval plans, works, or fortifications; or any information which might be directly or indirectly useful to the enemy. The second (Regulation 27A) made it an offence for any person by word of mouth or in writing, or by any act or deed, to advocate or encourage disloyalty or hostility to the British Empire or the cause of the Empire during the war. The third (Regulation 28, 1) made it an offence to spread false reports or make false statements likely to cause disaffection or public alarm, or likely to interfere with the success of the King's forces, or likely to prejudice the recruiting, training, discipline, or administration of the forces. The fourth (Regulation 28AC) gave power to any officer authorised by the censor to enter, if need be by force, and to search, any premises in which it was suspected that there might be any copies of any publication containing injurious matter, or any type capable of being used for the printing of such matter;

¹⁴ *Rules for the Censorship of the Press*, marked "strictly confidential and not for publication; issued by the authority of the Deputy Chief Censor (Australia)."

and gave power to seize such material, to destroy it, or to dispose of it as directed. The fifth (Regulation 28AD) made it an offence for any person to print or distribute matter which had been forbidden by the censorship staff. The sixth (Regulation 28C) prohibited the publication of any matter from which it might be inferred that any alteration, addition, or omission had been made by the censorship, or to publish any statement to the effect that publication of any matter had been forbidden.

The censorship rules affected cartoons and pictures as well as literary matter. It was forbidden to publish any picture of a defence work, camp, signal station, or depot; or any picture of a warship, unless by special authority; or any cartoon likely to discourage recruiting or to give offence to Allied or neutral nations; nor was it allowed to publish "illustrations of gruesome effects of warfare." A newspaper might not "call public attention to the fact that a particular item, name, or locality had been suppressed," because to do so would "defeat the object of suppressing that particular." Articles submitted to the censorship must contain the headlines under which it was proposed to publish them, and a headline might not be altered after it had been passed. If matter which had been passed by the censorship was not published within a month, it was required to be resubmitted. The newspapers were warned not to publish rumours and unconfirmed reports of victories or defeats by land or sea, or headlines "exaggerating successes or failures of any kind."

It was intimated that, whilst legitimate criticism would not be suppressed, nevertheless the publication of statements likely to prejudice the recruiting or discipline of the forces was prohibited. Statements made by individual soldiers as to bad treatment either in Australia or elsewhere were mostly *ex parte*, and many were "false or exaggerated." Such statements should not be published, but forwarded to the proper authorities for investigation. After the United States entered the war, it was forbidden to publish any matter derogatory to or intended to weaken or minimise the terms of peace "laid down by the Prime Minister of Great Britain and the President of the United States"; and this prohibition specifically applied to "matter commending the Bolshevik peace terms in so far

as they are inconsistent with the terms of peace set forth by Mr. Lloyd George and President Wilson." No manifesto or statement of the Bolshevik party in Russia might be published unless it had been passed by the censor. No reference might be made to the deportation from Australia of members of unlawful associations. The press was "requested to refrain from publishing" any matter likely to "reflect upon the loyalty of our Irish fellow-subjects, or to incite adverse criticism of their action, or to impair the essential unity of the people of the British Empire." The publication of matter which was calculated to prejudice the good relations of the Japanese and Australian Governments was not allowed.

Particular care was taken to prevent the publication of interviews with returned soldiers, unless they were submitted to the censorship. In letters from soldiers no mention of an officer might be published which was "of a disparaging or unduly laudatory nature, or is in any way calculated to be subversive of military discipline." Discussion was not permitted on the subject of the health or conduct of troops. "Reports of any riot or disturbance in which soldiers participate, or of any conflict between soldiers and the military police, should be moderate in tone," because "sensational headlines and details tend to inflame the minds of other soldiers and the public, and to produce further disturbances." No reference was permitted to be made in the press to the internment of Germans or other persons, and all matter relating to concentration camps had to be submitted for censorship before publication. Special instructions were issued from time to time with regard to the publication of news concerning operations in the Pacific, the evacuation of Gallipoli, the export of coal, wool, and metals, the sale of zinc concentrates to the British Government, and the statistics of imports and exports of gold. Precise directions were given as to news relating to the movements of warships, the routes of vessels of the mercantile marine, and the dates of sailing.

The lack of co-ordination, to which reference has been made, is illustrated by what occurred in connection with the despatch of the first contingents of the Australian Imperial Force from Australia. Permission was given to the Melbourne



7. RT. HON. SIR GEORGE FOSTER PEARCE, MINISTER FOR DEFENCE,
1914-21, ACTING PRIME MINISTER, 1916

Photo by Broothorn Melbourne

To face p 66



8. THE INTERNMENT CAMP AT HOLDSWORTH, NEAR LIVERPOOL, NEW SOUTH WALES

Lent by Sir John Hartley
Aust War Memorial Collection No H12176

To face p 67.

Argus by a responsible military officer to print a photograph of the embarkation of troops from Melbourne.¹⁵ The picture was correctly described as published "with the permission of the military authorities." But the Naval Board was seriously perturbed. The publication of any account of the embarkation of troops, whether by means of picture or in type, meant, the naval authorities declared, playing with the lives of the 30,000 men who were afloat at that moment. Surely the soldier who gave the permission had not realised that the fleet conveying these troops covered something like from eight to ten square miles of ocean; the ships were crowded with men; they were not armoured vessels, but merchantmen which a few enemy shells would crumple up as if they were paper. The consequence of this naval protest was the issuing of an order that no newspaper should be allowed to leave Australia for a fortnight; the prevention for three weeks of the publication of any other picture illustrating the embarkation of troops; and the stoppage for a week of all mails for Java, the East Indies, Singapore, and the Philippines. The indiscretion also resulted in the establishment of a separate naval censorship, which took within its purview all matters relating to shipping.¹⁶

The rigidity of the censorship exercised in connection with the departure of troopships was fully justified by the fact that, after the destruction of the German cruiser *Emden* at Cocos Islands, it was admitted by her officers that they were unaware that this large convoy had left Australian waters.

When the war commenced, 1,843 newspapers and periodicals were being regularly published in Australia. They ranged from the important and responsibly-conducted daily journals issued in the capital cities to quite humble and anaemic publications. There was so near an approach to unanimity of opinion concerning the origins of the war and Australia's duty in respect to it, that there was no disposition on the part of the press to resist the restrictions imposed. "The great body of the influential papers submitted to the restrictions of the censorship, to which they were entirely unaccustomed, with

¹⁵ *The Argus*, 28 Oct., 1914.

¹⁶ On the naval censorship, see Vol. IX of this series—*The Royal Australian Navy*, pp. 444-56.

the best intention to 'play the game.'"¹⁷ There were occasional deviations from instructions, but these were often due to haste, or error of judgment, or misunderstanding. The method adopted in the early months of the war to remind an offending newspaper of its obligations was to place a censor in the office, with instructions to scrutinize the editor's proofs. This plan was only adopted in cases where the censor was satisfied that an offence against the rules was marked by a touch of wilfulness, which was not absent in a few instances. The lapses which occurred had no relation to the political views of the journals. In one instance a newspaper of confirmed conservative leanings and unquestioned loyalty in an important city had to be seriously warned that, unless suitable assurances were given that there would in the future be obedience to instructions, a censor would be placed in the office. After that there was no further cause of complaint. From October, 1914, it was not found necessary to place a censor continuously in any newspaper office. Not that offences were not sometimes committed, but the stringent regulations under the War Precautions Act enabled other effective checks to be applied. Newspapers which were frequent offenders in regard to the printing of prohibited matter were required to submit to the censor, for a definite period, all material relating to the war which it was intended to publish. "This was found to be fairly effectual in controlling recalcitrant newspapers, and happily its employment was not very often necessary."¹⁸

The earliest general instructions issued to censors engaged upon newspaper supervision (28th September, 1914) directed that "the freedom and liberty of the press is not to be interfered with except in so far as the publication of news is likely to be of service to the enemy or of a false and misleading character." In later instructions it was again emphasised that "The liberty of the press is not to be limited further than is necessary to serve the express necessities of the war." Comment and criticism of a temperate character should not be interfered with. It was "no part of the duty of a censor to censor morals or political criticism, unless for local reasons

¹⁷ Censor's report to 31 Jan., 1915, *mss.*, Intelligence Department.

¹⁸ Censor's report, 1 Feb., 1916, to 8 Sept., 1919, *mss.*, Intelligence Department.

statements are harmful as inciting to riot or serious unrest or tend to discourage recruiting or to hamper naval or military preparations." The Minister for Defence also issued instructions that censors were not to curb any criticism of the Government, and he promised the Senate that, if any evidence could be produced showing that the principle had been disregarded, the officers responsible would be "relieved of their positions."¹⁹

The censor was firm in his handling of journals of all degrees of importance, but there was every desire not to hamper the newspapers in their quest of information. Sometimes the enterprise of editors led them to transgress beyond the limits of discretion. An entire edition of a Perth newspaper, which (December, 1914) included items "in defiance of an instruction," was suppressed.²⁰ The editor of an important morning newspaper did not agree with the censor concerning an article, and insisted on its publication. The censor telephoned to the Minister some time after midnight, informing him. The Minister was in bed, with a telephone by his bedside; he was frequently called upon to make decisions in the middle of the night. On learning the facts, he directed that, if necessary, troops should be brought to the newspaper office and publication prohibited unless the censor's decision was accepted. Thereupon the editor gave way, and the journal appeared as usual. During the later stages of the war, vigilance had to be exercised over the publication of matter which was considered likely to prejudice recruiting; and, when conscription became a burning issue in Australian politics, the line was not easy to draw between the legitimate expression of opinion contrary to the policy of the Government, and writing which was calculated to deter men from voluntarily joining the army. There was always, too, some amount of trouble from the publication, even in journals of good repute, of articles which, in the censor's terms, were simply "worked up from rumours and scraps of floating gossip."

Serious trouble between the censorship and certain journals occurred after the break-up of the Labour party owing to the raising of the conscription issue in 1916. A Brisbane

¹⁹ *Parliamentary Debates*, LXXVI, p. 2223.

²⁰ *Ibid*, 2222.

publication was a persistent offender. Twice in 1916 and twice in 1917 the publisher was prosecuted and fined. In March, 1917, the editor was sentenced to two months' imprisonment, but was released on his undertaking to comply with the War Precautions Act. In April the publisher was sentenced to imprisonment for further breaches of the regulations, though he also was released on giving a guarantee of compliance. Other prosecutions against the management of the journal were pending, but the charges were withdrawn on the undertaking being given in writing that no further offences would be committed. "Since that time," the Queensland censor reported, "the relations between this office and the newspaper concerned have been of a satisfactory nature."²¹

In Melbourne in July, 1916, and April, 1917, the offices of *The Labour Call* were raided by the military, and a quantity of copies of the journal seized. The papers which were seized in 1917 contained the text of the confidential telegrams relating to the resignation by Senator Ready²² of his seat, and to the appointment of Senator Earle to succeed him. The resignation itself is more fully discussed in *Chapter X* of this volume. During the election campaign which ensued, Mr. Anstey²³ published the telegrams in a sheet entitled "Hughes and his Views." As the publication was not authorised by the Government, it was evident that the documents could have been obtained only by surreptitious means, and copies were seized by officers of the censorship. Out of this incident an unjustifiable suspicion was generated. It was assumed that some officer or officers of the Post and Telegraph Department had committed a betrayal of trust by furnishing representatives of the Labour party with confidential information intended to be damaging to the Government. Newspaper articles appeared which demanded that an enquiry should be held. *The Argus*, for example, while allowing that the significance of the telegrams was small, contended that "the corruption which has made possible their publication" was important, and insisted that the authorities of the Post and Telegraph Department should "take steps to

²¹ Military Districts' Reports.

²² R. K. Ready, Esq. Member of C'wealth Senate, 1910/17.

²³ Hon. F. Anstey. M.L.A., Vic., 1902/10; Member of C'wealth House of Reps., 1910/34; Minister for Health, 1929/31; of Brunswick, Vic.; b. London, 18 Aug., 1865. Died 31 Oct., 1940.

discover the criminal or criminals in the service" who had supplied them. Unfortunately the Postmaster-General, Mr. Webster,²⁴ who was then in New South Wales, joined in the condemnation of his own department, avowing that such a thing could only have been done "by the disloyalty of some officers of the postal service."²⁵

If the Minister had waited till an enquiry was made, he would have saved himself from undeservedly blaming officers of his department for an offence with which they had no connection. As soon as a skilled detective got to work upon the problem, he satisfied himself that the leakage could not have occurred where suspicion had hastily imputed the fault. The messages were in cipher, and they were handed for transmission singly. No one telegraph operator could have seen the whole of them. This theory of the leakage being rejected, the enquiry was directed to a quarter much nearer the source, and the offence was sheeted home to a junior officer who had access to messages sent and received and to the official cipher in which they were drafted. The culprit was dismissed. The incident evoked a strange contention from one candidate at the election: that it was the duty of a government servant holding his party's principles to supply the party with inside information which might be useful to it—a position which obtained no support elsewhere, and would certainly have been scouted by responsible men of all parties as immorality subversive of honest administration.

The office of the *Labour Call* was again raided in June, 1918, when a stock of pamphlets was seized. In one instance a publication was suppressed in consequence of representations made by the British ambassador at Washington. A fortnightly periodical called *Stead's Review* had made a feature of a series of questions and answers relating to the war. They had not been objected to by the Australian censorship as they appeared in the *Review*; but, when they were reprinted in book form, and copies were circulated in the United States, the ambassador telegraphed that the publication, which was

²⁴ Hon. W. Webster. M L A, N.S.W., 1901/3, Member of C'wealth House of Reps., 1903/19; Postmaster-General, 1915/20; of Wentworthville, N.S.W.; b. Liverpool, Eng., 7 June, 1860. Died 10 Oct., 1936

²⁵ *The Argus*, 1 May, 1917.

called *Stead's War Facts*, was regarded there as "scurrilous and pro-German," and inquired whether it was true that it had been passed by the censor. The fact was that, inasmuch as the questions and answers had been submitted to the censor periodically and passed, no attention had been given to the reprint, which, it was admitted, after attention had been thus called to it, had "an objectionable tone." It was therefore determined to declare the book a prohibited publication.²⁸

In the few instances in which a disposition was shown to defy the censorship, it was found that the imposition of fines did not have a deterrent effect. Nor was the withdrawal of mailing facilities, or the suspension of the journal itself for a period, effective. In Canada and Great Britain, however, experience showed that the weapon of suspension was used with satisfactory results. The Australian censor was reluctant to press for the imprisonment of publishers. Indeed, he showed so strong a dislike for prosecution that other newspapers, which loyally obeyed the instructions, complained of the apparent immunity from interference enjoyed by journals which were flagrant offenders; and, where frequent and severe warnings were insufficient, prosecutions had to be instituted in order that the censor might retain that control over the press which it was his duty to exercise. Throughout the war there were only three instances of newspaper prosecutions instituted by the censor being unsuccessful.

Some editors of newspapers contended that only journalists should have been employed as press censors. The censor's reply to this contention was that, in the instances wherein journalists had been employed, even when they were men of many years' experience, their work had not been satisfactory "simply and solely because their censorship was far too strict." The censor admitted that it required "well-balanced, cool, and impartial minds on the part of the officers engaged upon the work, in a larger measure than was requisite, perhaps, in some other branches of activity," but he did not consider that it was difficult to find suitable men.

²⁸ Governor-General's papers, Canberra. In *Stead's Review* for February, 1920, the editor, Mr. Henry Stead, published the correspondence which passed between him and the Defence Department with reference to the suppression of *Stead's War Facts*. The book was on sale again at a reduced price in 1919, when it was advertised as:—"Suppressed by the Censor: now on sale again."

The editors of newspapers, however, complained that the inexperience, slowness, and mental inadequacy of some of the officers with whom they had to work made the production of their journals a nerve-racking business. Contradictory instructions, the alteration of decisions at times when changes in the make-up of a page were exceedingly difficult to effect, in some instances sheer ignorance of the meaning of matter intended for publication, caused delay, irritation, and confusion. The censorship staff contained officers of high cultivation and eminent fitness, but it is notable that some of the newspapers of the Commonwealth whose good faith was beyond question were subjected to censorship control by men the memory of whose incapacity evoked indignant feelings years after the conclusion of the war. It seems probable that, if the methods adopted to secure harmonious relationships between the newspapers and the censorship in 1918, had been commenced in 1914, much unnecessary friction would have been avoided. In Great Britain a journalist of long experience, Sir Edward Cook,²⁷ one-time editor of *The Pall Mall Gazette* and *The Daily News*, was placed at the head of the branch of the intelligence department which had to do with newspaper censorship. But in Australia the official attitude was that it would never do to entrust this work to men who knew something about newspaper production. The Minister himself, in Parliament, scoffed at the idea of practical experience being appropriate to the proper discharge of this function, apparently believing that men of knowledge of the processes of journalism required other persons without such knowledge to supervise them—very much in the spirit of Juvenal's question: "*Sed quis custodiet ipsos custodes?*"²⁸

Mr. Henry Stead²⁹ published in *Stead's Review* a series of articles, extending from July, 1919, till August, 1920, under the title "The Censor and I." In one of these (9th August,

²⁷ Sir Edward Cook, K.B.E. Joint Director, British Official Press Bureau, 1915/19. Journalist; of South Stoke, Oxon., Eng.; b. Brighton, Eng., 12 May, 1857. Died 30 Sept., 1919.

²⁸ It is, however, significant that the Prime Minister on a public occasion dissociated himself from the official attitude. Speaking in London on 17 August, 1918, Mr. Hughes said: "In his capacity as a Minister in Australia it had been his duty to impose restrictions on the press. He had never been able to convince the press of the necessity of those restrictions; and, indeed, in his own most positive moments, he had doubts about them himself. Through him the Australian press censor had his being. But he had never been able to understand the working of the censor's mind." Nor, often, could the Australian editors; that was their grievance.

²⁹ Henry Stead, Esq. B. Darlington, Eng., 31 Oct., 1875.

1919) he alleged that on Christmas Eve, 1915, he received an urgent message requesting him to see the Prime Minister immediately. He gave an account of the interview with Mr. Hughes, detailing the conversation which passed between them. Mr. Hughes, he said, spoke of the censor as "a stupid blunderer," though it does not appear that this description was intended to apply to the censor's handling of Mr. Stead's *Review*. The main point of interest in this article is that it alleged that the Prime Minister ordered that a set of the proofs of the next number of the *Review* was to be submitted to him. It is an instance of the head of the Government taking a personal responsibility for an act of censorship, and exercising the powers committed to the censor.³⁰

Throughout this series of articles Mr. Stead maintained that he had never attempted to publish anything "which in my opinion could in any way assist Germany," that he "invariably carried out the censor's instructions with scrupulous exactness, and never complained, save on one or two occasions, of flagrantly unfair treatment." But he regarded himself as "probably more severely treated by the censor than any other editor in Australia," and stated that he was "engaged in a constant duel out of which I venture to say I often came out best." Inasmuch as he admitted that he succeeded in getting a great deal through "by skilful writing of studied moderation which yet conveyed a great deal more than it seemed to on its face," it is evident that Mr. Stead was constantly endeavouring to defeat the purposes of the censorship; and he could not know all the reasons why matter, which in his opinion would be of no assistance to Germany, might be considered by the censorship to be dangerous. He gave instances in which he amused himself by "playing the trick of copying paragraphs out of papers which had large circulations in the Commonwealth and submitting them to be slashed to pieces by the censor," and stated that on one occasion he took a complete sub-leader from *The Bulletin* "and ran it in amongst my own; three lines of it were left, the rest was cut out altogether." The articles do not convey the impression that Mr. Stead was endeavouring

³⁰ Hughes threatened to confiscate Mr. Stead's plant, and put him in gaol or "have him shot."

to work fairly with the censorship. He was, indeed, conducting his *Review* in a rebellious spirit and in a mood of exasperation, due partly to annoyances which he had received, but more to the policy which he was pursuing, of publishing information which was not available in other publications.

The press censors were directed to do their work with the utmost promptitude. Not a minute should be lost in dealing with telegrams, since the loss of the opportunity to publish an important message at a certain time was equivalent to a loss of money. When two newspapers in a city received a similar message which had to be held up but was subsequently released, censors were instructed that the message should be released at a time which would give the journal which, but for the censorship, would have been the first to receive it an opportunity for prior publication. Thus, if a cable message reached Sydney at noon, and was received both by the morning and the evening journals, if the censorship prohibited publication and subsequently lifted the ban, that message had to be released in time for the evening newspapers to publish it in advance of their morning contemporaries on the following day; and the rule operated in the same manner to the advantage of the morning papers in the case of messages arriving after evening papers had been issued. There were a few instances in which this rule, through mischance, was not observed, and on these occasions the censor was made acquainted with dissatisfactions in an emphatic manner.

One passage in a report by the censor it is desirable to quote in his own language, since it touches upon the most delicate matter with which he had to deal, affecting the distinction between the publication of political opinions written with *bona fide* intent, and of matter which for sound military reasons should not have been published. These two paragraphs, also, embody reflections upon his experience in the exercise of this distinction and the extent to which it was influenced by political considerations:

A matter which was always a point of variance between the Government and the Press was that which was termed by certain editors "political censorship." Their contention was that there were some matters forbidden publication by the censorship which were not of a character which should be controlled by the censorship, the publication of which would not have been harmful from the point of view of

hampering our war efforts, and the prohibition of which was used for a political, not a military, purpose. It is admitted that the border line between "political" and "military" censorship is very narrow, and almost impossible to define. It is only natural that the Government controlling the censorship should incline to the view that its powers in this respect were larger than those contended for by editors who, equally naturally, desired as much information as possible for publication.

There is no doubt that many of the subjects classed as "political" by editors were justifiably controlled by the exercise of press censorship, but at the same time I deem it my duty to say that many instructions issued to the press could not possibly be justified as an exercise of military censorship under the proclamation establishing a censorship of the press, or under any War Precautions regulation which was *intra vires*. This opinion is not intended to infer that such instructions were issued for a purpose other than a military one, but I merely wish to point out that, quite apart from the object with which they were issued, there was no legal power to enforce them had they been challenged *qua* subject matter of the particular prohibition.

This point is important in the history of the press censorship, because the friction caused by the controversy between the censor and the editors with regard to "political censorship" led to the first interstate conference of newspaper editors ever held in the Commonwealth. The immediate occasion of the conference was the second referendum campaign, during which, it was complained, the censorship was particularly rigid. The Minister of Defence, Senator Pearce, therefore invited the editors of all the more important newspapers published in Australia and Tasmania to assemble under his presidency at Melbourne on the 15th of April, 1918. Both the military and naval censors were present, as were also the Chief of the General Staff, the chief naval officer, and several of the more experienced of the censorship officers in the States. Twenty-seven editors were present, representing every morning and evening newspaper in the capital cities. The conference listened to a full exposition of the censor's point of view, and, being invited by the Government to express the opinions of its members "frankly and fully on all questions connected with the censorship of the press," appointed a drafting committee to formulate a statement of conclusions. This committee consisted of Mr. Braham,³¹ editor of the Sydney *Daily Telegraph*, Mr. Kneebone,³² editor of the

³¹ D. D. Braham, Esq. Editor of the Sydney *Daily Telegraph*, 1914/22, of *West Australian*, 1924/30; b. Birmingham, Eng., 23 Jan., 1875.

³² H. Kneebone, Esq. Managing Editor of *The Daily Herald*, Adelaide, 1916/24; M.H.A., S. Aust., 1924/25. Member of C'wealth Senate, 1931; Managing Editor of *The Labour Advocate*, Adelaide, 1932/33. b. Wallaroo Mines, S. Aust., 17 March, 1876. Died 22 Dec., 1933.

Adelaide *Herald*, and Mr. Sowden,⁸³ editor of the Adelaide *Register*. The committee's report was presented to the Minister in behalf of the conference as one in which "practically all its members unanimously affirmed"

that the only proper function of the press censorship is to prevent the publication of matters that might be of naval or military value to the enemy, offensive to an ally, or likely to embroil us with a friendly power; it protests against the use of censorship for political purposes, and further declares that the employment of the censorship to prevent publication of matter which in the opinion of the censor is calculated to prejudice recruiting, has itself become highly prejudicial to recruiting by hindering the redress of grievances.

The conference agreed that the specification of what matter might be of military or naval value to the enemy, or objectionable to allies, should be left entirely to the censorship, but it also held that judgment as to what effect the publication of other matter might have upon public feeling and opinion should be left to the editors of the various newspapers. The conference also criticised the work of the censorship in respect to lack of uniformity in application of the rules, pointing out that it had sometimes happened that matter censored in one newspaper was permitted to be published in another; complained of the delay in passing cables and other news for publication; objected to duplication of censorship through the banning of cablegrams upon their arrival in Australia when they had already been censored at the point of departure; and referred to the serious financial loss occasioned by this fault, and by the necessity of submitting matter to the censor in printed form, which involved the "setting up" of matter which was afterwards not permitted to be published. As a practical means of lessening friction the conference recommended the appointment of an advisory board to consult with the censor. This suggestion was at once adopted. The board consisted of Dr. Cunningham,⁸⁴ editor of the Melbourne *Argus*, Mr. Schuler,⁸⁵ editor of the Melbourne *Age*, Mr. Davidson,⁸⁶ editor of the Melbourne *Herald*, and Mr

⁸³ Sir William J. Sowden, Editor, Adelaide *Register*, 1899/1922, of Victor Harbour, S. Aust.; b. Castlemaine, Vic., 26 Apr., 1858.

⁸⁴ Sir Edward Cunningham, Editor, Melbourne *Argus*, 1906/28; of South Yarra, Vic., b. Hobart, 21 July, 1859.

⁸⁵ G. F. H. Schuler, Esq., Editor, Melbourne *Age*, 1900/26; of Hawthorn, Vic.; b. Stuttgart, Germany, 24 Feb., 1854. Died 11 Dec., 1926.

⁸⁶ J. E. Davidson, Esq., General manager and Editor-in-Chief, Melbourne *Herald* and *Weekly Times*, 1907/18; Managing Director and Editor-in-Chief, *New* Ltd., Adelaide, 1922/30, b. Pine Hills Station, Harrow, Vic., 21 Dec., 1870. Died 1 June, 1930.

MacKay,³⁷ representing Labour newspapers. Mr. Davidson shortly afterwards resigned on severing his connection with the Melbourne *Herald*, whereupon his successor, Mr. Innes,³⁸ took his place on the board. This body of experts was appointed only a few months before the conclusion of the war. It met never less frequently than weekly, at the office of the Melbourne *Age*, under the chairmanship of Dr. Cunningham, and the Deputy Chief Censor was invariably present. He submitted cases for advice, and the drafts of fresh instructions to the censors, who acted upon the recommendations of the board in all instances. The conferences were highly valued by the Deputy Chief Censor, who wrote in his final report:

I have no hesitation in stating that the Board made a great difference to the thankless and at times arduous work of the press censorship; the members of the Board, who gave their services gratuitously, were of great assistance to the censorship; and the most amicable relations existed from the outset of its meetings with the Deputy Chief Censor until the censorship of the press entirely ceased shortly after the signing of the armistice.

In view of the fact that the newspapers represented at the Press Conference were nearly all supporters of the conscription proposals of the Government, it is remarkable that their editors had cause to complain of the censorship of political opinions during the second referendum campaign. The ground of the complaint was not so much connected with editorial comments as with news. The heated oratory of the assailants of the Government frequently contained statements which were distinctly prejudicial to recruiting, and were in some instances apparently intended to be so. An examination of the files of newspapers during this period does not leave the impression that those journals in the Commonwealth which were opposed to conscription were hindered from stating their case fairly. Nor, viewing the circumstances coolly, at a distance of time from the excitement of the campaigns, does there seem to have been justification for the belief that the censorship itself prejudiced recruiting "by hindering the

³⁷ J. M. MacKay, Esq. Melbourne Representative for Sydney *Worker*, 1910/22; Editor, Hobart *World*, 1922/24; Associate Editor, *Daily News*, Perth, 1924/28; of Thornbury, Vic.; b. South Yarra, Vic., 13 Oct., 1872. Died 14 Aug., 1928.

³⁸ G. E. M. Innes, Esq. News Editor, Melbourne *Herald*, 1911/18, Editor-in-Chief, 1918/21; Deputy Manager, Aust Newspapers Cable Service, London, since 1926; b. Ballarat, Vic., 31 Jan., 1882.

redress of grievances." It was the opinion of the man who made the most thorough analysis of the reasons for the decline of voluntary recruiting, Mr. Mackinnon³⁹—who as Director-General of Recruiting wrote an elaborate report upon the subject in 1917—that one of the most potent causes was the conversion of service in the army into a fiercely debated partisan issue. Mr. Mackinnon's view was that "irresponsible and to a large extent misinformed talk about conscription should be stopped. Men are driven into hostile political camps, and recruiting tends to become a secondary issue. There are sinister influences at work to foment political strife and damage the voluntary effort."⁴⁰ These influences were certainly not less effective in 1918 than they were in 1917. It is, however, clear that there was prevalent among the producers of newspapers a feeling of irritation on account of the restrictions imposed, and that the conference was useful in removing suspicions and affording explanations. Complaints were very few after the conference, though the rules were not less rigorously applied than previously.

It is desirable that the case as it presented itself to journalists should be stated fairly; and consequently the following statement is appended to this section. It is from the pen of Mr. Heney,⁴¹ who was the editor of *The Sydney Morning Herald* during the war period, and consequently had personal knowledge of the operations of the censorship. Both the character of the journal and the known patriotic sentiments of the author entitle his judgment to consideration. It is quite certain that Mr. Heney and the newspaper which he then directed had no other desire than to respect the requirements of the censorship, and his criticism does not dispute its necessity. The questions raised affect its methods.

It was perhaps chiefly in connection with the newspaper press that complaint arose and continued. The first intimation of troublous conditions came in the delay, accompanied by mutilation, of the ordinary cable services from London. It seemed to newspaper men that they were sufficiently handicapped by those delays in the service which were due to the congestion of Government business, that the Allied interests

³⁹ Hon. Donald Mackinnon, M.L.A., Victoria, 1900/21; Director-General of Recruiting for Australia, 1916/18. Barrister-at-law; of Terang, Vic.; b Marida Yallock, Vic., 29 Sept., 1859. Died 25 Apr., 1932.

⁴⁰ Memorandum of 17 June 1917; Governor-General's official papers, Canberra.

⁴¹ T. W. Heney, Esq. Editor, *The Sydney Morning Herald*, 1903/18, Brisbane *Telegraph*, 1920/24, *Sydney Daily Telegraph*, 1924/26; b. Sydney, 5 Nov., 1862. Died 19 Aug., 1928.

were already adequately protected by censorship in London, and that it was essential to the Australian and Imperial morale that the true and vital news of the war should be made available as soon as possible to the community, so as to prevent the growth of rumour. To this end the Australian press had voluntarily made extensive preparations, and a new cable service was about to open its doors in London, in part subsidised by the Commonwealth Government. Matter published in London was never re-censored in Australia, except by direct orders from London. But such instructions could not be made public, and on these points the Australian officials could not be open to argument or appeal; they had but one duty—to enforce the ruling and keep their mouths shut. At various intervals the cablegrams were released from censorship, with words, phrases, or sentences excised. With these mysterious communications the telegraphic staffs in the newspaper offices had to deal as best they could, while further subject to general instructions as to matter which they were not at liberty to publish—even though it had passed through the censorship in the telegraph office—until proofs had been submitted and passed.

The same treatment continued in every daily newspaper office, and, while pressmen were at all times anxious to be of service to their Government and people in the new circumstances, the rigid and unsympathetic official attitude in regard to cablegrams, ordinary telegraphic reports, general reports of public movements, and even of military agitations such as that for recruitment, compelled the press in Australia, as in other countries, to feel that in military eyes it was an evil, and not even a necessary one. None who were at that date associated with the Australian press would deny that they received from many officers, and these chiefly the heads, of the censor's department ready and courteous consideration in some of their real difficulties. But the system was too inflexible. Too much had to be referred to Melbourne, sometimes with a cumbrous mass of irrelevant material. Delays abounded and increased, and it came to appear as if, the more a man laboured for a completely accurate exposition of some effort in behalf of the war, the more likely he was to bring his toil to naught through an oversight in respect of some practically obsolete or obsolescent war-regulation, censor's order, or pedantry which some new censor regarded as still of formidable importance. As a consequence a severe trial was put upon the patience and loyalty of scores of men who were quite ready to obey clear and obvious instructions, while giving their public of the best at the earliest hour and in such a manner as to maintain the spirit of the people. Such men were often exasperated to find that, when they had got beyond clerks and embryo reporters, and had reached to university lecturers or even professors, they had at last to take the word of command from a Deputy Chief Censor who had no personal knowledge of journalism, and who apparently never troubled to acquaint himself with the hours, routine, or system of a morning or an evening newspaper.⁴²

It seemed to Australian newspaper men that national interests, and even Allied and neutral susceptibilities, were amply protected by the censorship of telegraphic matter, by the remoteness of Australia from the scene of war, and by the Government control of all means of communication abroad. But the censorship took itself with the most deadly seriousness; it treated the leading and the most devoted organs

⁴² This criticism was apparently intended to apply to Colonel W. H. Hall

of public opinion as if they were all vehemently suspect, and as if they necessarily desired to publish dangerous matter. The newspapers were rendered powerless by the fact that, though they may criticise, they make it their policy never to break the law or support others in so doing. It was a grievous addition to their anxieties when it became necessary for them to take full note of the mass of trifling and conflicting instructions which accumulated in the form of censors' orders endowed with all the force of law. It is now difficult to believe that the war had lasted nearly four years before the Australian Government took the natural course of consulting—not upon the principle of a censorship, but merely upon its working details—the men who had to carry out the censors' orders. In many instances instructions were issued at extraordinary hours, and it was often necessary to recast pages long after an edition had gone to press. Young men without journalistic experience were often attached to the censors' staffs, and these had power to bewilder editors by ordering exceedingly inconvenient things to be done and exceedingly desirable things not to be done. Proofs must be sent to the censor, and, if they did not secure official approval in time, the type must disappear from the formes, even though it might reappear half-an-hour later in another edition. One journal might submit a report which would be held up, and another might publish it and undergo reprimand, though there might exist no special order requiring it to be submitted.

If all this vexation was the daily lot of those journals which were heartily in accord with the Imperial policy and supporters of the Australian Government, it may well be supposed that the press absolutely opposed to the Government would not suffer less. When the conscription issue divided the community, the whole of the Labour press found itself in a very unsatisfactory position. It is probable that in the first instance the censorship acted on its usual principles, and dealt with news from a naval or a military standpoint. But gradually matters grew worse. The charge was vehemently made (and was never wholly disproved) that as time went on the censorship, especially under the new war regulation which punished the doing or saying of anything prejudicial to recruiting, became political or semi-political. Every Australian is more or less a politician, and a potent element of strife was added to the struggle on the second referendum when the anti-conscription party were able to assert that they were hindered in their campaign by the official censorship, acting, it was assumed, under the direct orders of the Government and in the interest of the Government policy. It must be admitted that when a political campaign in war-time turned upon a military question—namely, the necessity or otherwise of keeping up the Australian forces by compulsion—the situation became one of extraordinary delicacy for the censorship. But, when once the suspicion arose that one side, and that not the Government side, was controlled by official edicts and supervision and prevented from putting in its last ounce of strength, the censorship had need to exercise a double amount of circumspection.

Finally, in April, 1918, at the same time that the Governor-General convened his Round Table Recruiting Conference, the Government assembled in Melbourne a gathering of representative Australian working journalists of all shades of political opinion. They were received by the Acting Prime Minister, W. A. Watt, and Senator Pearce. The censorship was fully represented. The editor of *The*

Argus was called to the chair, several resolutions were fully and frankly discussed, and finally a small consultative committee was appointed to act with the Deputy Chief Censor and minimise friction. Had the war and the need for recruiting continued, this committee would doubtless have proved of use. But the stage at which such a measure should have been adopted was that at which hostilities began, and when by instructions from the Imperial Government Australia for the first time instituted a press censorship. If at that time a conference of this sort had been held and a man of large press experience and of acceptance in newspaper offices had been appointed to the Chief Censor's staff, and another such added to each State censorship, it would have been of supreme advantage for united action and sentiment. Many difficulties would in that case never have arisen, and others would soon have disappeared. No individual official can ever be equal to the immense responsibility of dictating to the whole of Australia what shall or shall not be published on a subject which commands the concern and affects the vital interest of every citizen in the Commonwealth

IV

The activity of the censorship in regard to mails was directed mainly towards three purposes, the prevention of information reaching the enemy which might be injurious to the cause of the Allies, the tracing of cases of enemy trading, and the detection of disloyalty and enemy sympathisers. The vigilance of the censor's staff was instrumental in placing the Government in possession of a large amount of information on these subjects. Cases affecting disloyalty were dealt with by the Attorney-General's Department, and those concerned with trading by the Department of Trade and Customs. The number of letters, newspapers, packets, and other postal articles which passed through the post offices of the Commonwealth during the war years, 1914 to 1918-19, was 3,791,846,000.⁴³ It is apparent, therefore, that it would have been impossible for the censorship to exercise supervision over this vast quantity of mail matter even if it had been desirable to do so. But it was not. The purposes in view were capable of definition, and resolved themselves into the following:

(1) To prevent persons communicating with the enemy, or obtaining information for that purpose, or for any purpose calculated to jeopardise the success of the operations of British or Allied Forces, or to assist the enemy.

(2) To prevent the spread of false reports, or reports likely to cause disaffection to British relations with foreign powers.

⁴³ *Commonwealth Year Book*, 1920, p. 719.

(3) To prevent assistance being given to the enemy, or the successful prosecution of the war from being endangered.

(4) To bring to the notice of the Commonwealth Government information concerning the dissemination of enemy propaganda.

(5) To detect breaches of the regulations relating to the security of the public interest.

(6) To prevent illegal trading.

(7) To keep a watch upon persons suspected to be dangerous.

(8) To examine the correspondence of persons in concentration camps.

For these purposes the censorship exercised vigilance with regard to all letters addressed to and received from enemy countries or territories under enemy occupation; letters from certain neutral countries; all letters received from or addressed to persons or firms in any part of the world who were placed upon what were known as the "black lists"; all mails to and from persons whose names were upon another "suspect list." By the time of the end of the war the letters of about 15,000 persons were being systematically watched.

The troops who left Australia with the first contingents of the Australian Imperial Force were warned to be particularly careful as to what they wrote in their home correspondence, as enemy raiders had not then been cleared from the seas. Nevertheless a spirit of sheer wilfulness induced some of the men to defy the rules the observance of which was imposed for their own safety. The following letter addressed by a soldier to a young woman in Sydney is a specimen of the kind of correspondence that was not delivered:

Of course we are strictly prohibited to write any of this, so that is the reason I am doing so, and will trust to luck and a little common sense to get it to you. Did you get my last letter from Albany? I posted it by going over the side on a rope and giving it to one of the men of a tug that came along. It was rather risky, but it was worth it. I was nearly caught, too, as an officer just passed as I was climbing aboard again, but it was a dark night, which probably saved me.

The adventure on the rope was doubtless a gallant act, but it was wasted on the censorship officer who read the letter, while the lady for whom it was intended never knew how much the swain had dared in his effort to let her know the secrets of a troopship at sea.

The "black lists" were of two kinds, one of which was published, while the other was secret. The first was known as the "statutory black list." The names upon it were those of individuals or firms which, owing to their being wholly

controlled by enemy capital or owing to their many un-neutral acts, were declared to be "enemy firms." These names were published in the *Commonwealth Gazette*. Most of them were in the first instance published in *The London Gazette*, and transferred to the Australian Statutory Black List by subsequent publication in the *Commonwealth Gazette*. But sometimes the Commonwealth Government itself placed the name of a firm on the black list without waiting for action to be taken against it by the British Government. One firm which was so treated brought an action against the Commonwealth, challenging its right and seeking to establish the principle that the action of a dominion government in such a matter was *ultra vires* of the powers of the Commonwealth Government. In this case the procedure followed had been the usual one. Mr. Hughes, as Attorney-General, had published in the *Commonwealth Gazette* a proclamation stating that the company affected was managed or controlled or under the influence of persons of enemy nationality. The High Court determined that the proclamation was not unlawful, and thus established the right of the Commonwealth administration to "black list" a firm which was believed to be mainly of enemy proprietorship.⁴⁴ The names of about 2,500 firms were from time to time placed on this list. No inhabitant of the Commonwealth was permitted to trade with a firm whose name was proclaimed in this manner, though if a firm which was placed on the Commonwealth black list was not also on the British list, the prohibition did not apply to residents of Great Britain. Similarly, a firm which was placed on the British black list was not debarred from trading in the Commonwealth if it was not proclaimed in the *Commonwealth Gazette*; but there were very few instances of this kind.

In cases where it could be shown that goods which were the product of a "black-listed" firm could not be obtained elsewhere, it was possible to obtain a licence from the Attorney-General, the effect of which was to render trading with the particular enemy firm legal. But trading with a firm on the list without licence was an offence punishable by severe penalties.

⁴⁴ Welsbach Light Company of Australasia Limited, against the Commonwealth of Australia, *Commonwealth Law Reports*, 1916-17, Vol. 22, p. 268

The secret "black list" contained the names of persons or firms in neutral, and in some instances Allied, countries, with whom it was not considered desirable that inhabitants of the Commonwealth should trade except under restrictions and with guarantees that the trading would not benefit the enemy. The ramifications of trade are intricate; the commercial connections of manufacturing firms are often numerous and widely spread. A firm in a neutral country might be linked with associates in an enemy country. It was therefore necessary to obtain strict guarantees as to the place of origin of goods supplied by the firms in neutral states, and similar guarantees as to the destination of goods purchased by them in the Commonwealth. Confidential lists were therefore placed in the hands of the officers whose duty it was to prevent violation of the confidence reposed in such neutral firms.

There were also what were known departmentally as "white lists." These applied mainly to China, Siam, Persia, Morocco, Liberia, and Portuguese East Africa. The object of these lists was to prevent Australian exports to these countries from reaching certain firms which were thought likely to forward them to enemy countries. With certain other firms it was considered safe to trade, and the names of these were accordingly published in the *Commonwealth Gazette* in order that traders in Australia who had commercial relations with the countries enumerated might be aware of the firms with whom they could deal without risk of committing an offence against the Trading with the Enemy Act.

The censorship did not, as a rule, pay heed to letters posted within the Commonwealth for delivery within the Commonwealth. Its main concern was with postal matter of foreign origin or intended for foreign delivery. The exceptions to that rule were letters to and from suspected persons, and the correspondence of persons within the concentration camps. All correspondence addressed to enemy countries was of course perused. If dated before the declaration of war, it was returned to senders marked "undeliverable." If dated after the 4th of August, 1914, it was held, and, if the contents supported a charge of trading with the enemy, was used as evidence against the writer. But within a few months after

war commenced commercial correspondence with enemy countries had ceased; after two years there was practically none.

Many devices were adopted for defeating the censorship, but the writers of letters who thought that they were clever enough to hit upon a method which the experienced officers daily engaged in this work did not know, were much simpler souls than they believed themselves to be. Various invisible inks were used, some of which would reveal their messages when warmed, others when treated chemically. Several prisoners of war thought they could convey secret messages by writing beneath the postage stamp. Small dot-and-dash punctures in the paper were used. Officers of special skill and knowledge were employed to deal with correspondence of this character, and the censor felt confident that there was no means available of secretly conveying information abroad which his staff did not know. To some of these trained men, ciphers were almost as easy to read as ordinary print, and there was no chemical trick which they could not trump.

In the early months of the war, German firms who had debtors in Australia became anxious to secure payment, and desired to press for settlements of their accounts through the intermediacy of branch officers or agents. It was natural that they should do so, since if there was a serious fall in the value of the mark, and the debts were contracted in marks, they would lose to the extent of the depreciation of German currency. This, in fact, is what did happen when the mark fell in value till it became practically worthless paper. Payment of debts to German firms became, however, after the declaration of war, a form of trading with the enemy, which it was the function of the censorship to prevent. A legal doubt was suggested as to whether the censor had the right to stop letters containing remittances when there was good reason for believing that the money was intended to be paid in Germany through the intermediacy of agents in neutral countries. The legal advice furnished to the censor was that, although the mere suspicion of an intention to remit money to Germany through a neutral country would not be sufficient

to justify a prosecution, there was nothing to prevent him from stopping such correspondence because he was suspicious. The censor acted on this advice, and soon had under his care a very large amount of money which persons in Australia had endeavoured to transmit to enemy firms. Various devices were adopted with the intention of maintaining correspondence between Germans in Germany and their agents in Australia. What were called "blind codes" were used. These meant that an apparently innocent letter would convey information by the employment of words which did not mean what they seemed to signify. Thus, the word "layman" in one such blind code meant the Kaiser, and the word "shares" meant the war. Letters were also transmitted from Germany through intermediaries; the letter would in the first instance be addressed from Germany to a person in the United States or the Argentine Republic, by whom it would be readdressed to a person in Australia with an English name, who allowed himself to be used for this purpose. There was no means of stopping all correspondence conducted in this manner, except by the examination of all overseas letters, which would have been a task of immense magnitude; but a good number of instances were discovered accidentally, or through the awakening of suspicions by various means.

Methods of secret writing often taxed, but in the end never defeated, the ingenuity of the censor's staff. In the early months of the war, envelopes came regularly from a foreign country addressed to a firm in Australia whose transactions there was good reason for watching. The envelopes all contained apparently blank sheets of paper. One of these, bearing a Viennese watermark, was subjected to the following nineteen different tests, none of which revealed the secret. The paper was heated, placed in diluted tannic acid, iodine solution, potassium ferrocyanide solution, stannous chloride solution, phenolphthalein solution, copper sulphate solution, potassium iodine solution, hydrogen peroxide, sulphuric acid, ammonium solution, silver nitrate solution, ferrous sulphate, copper nitrate, diluted potassium sulphate solution, diluted oxalic solution; it was tested by wetting, by the action of vapours of mercury, and with iodine-hydrochloric acid-ammonium. The censor might well have

thought that he had at all events found a perfect paper, for the sheets endured the chemical inquisition without apparent deterioration. But they did nevertheless contain messages, which were not delivered to the addressees, and were eventually deciphered without laboratory aid.

It was not considered desirable to give explanations as to why letters were opened, and members of the censorship staff were instructed not to supply reasons of a categorical character; but they might meet a complaint from an inquirer who in good faith protested against his correspondence being interfered with, by informing him that in the interests of national security citizens whose loyalty was not open to suspicion were occasionally liable to suffer annoyance and inconvenience by the enforcement of a scrutiny of mails, and that this had been the means "of stopping much hostile and traitorous information from falling into enemy hands." Such complainants were also reminded that the censors were sworn to absolute secrecy, and that their only effort in discharging a trying duty was to safeguard the interests of the nation. Often, however, groundless complaints were made as to letters having been opened by the censor, when in fact they had not been interfered with in any way. Thousands of letters pass through the post which have not been properly closed; and during the war nearly everybody who received a letter in an unfastened envelope seemed to jump to the conclusion that it had been opened by the censor.

Letters were sometimes found enclosed in bags of rice, the particular bag in a consignment which contained the letters being marked in a peculiar way. After the occupation of Samoa letters were found in copra bags from that island, and the persons responsible were promptly interned. Prisoners of war in internment camps were sometimes so foolish as to ask persons to whom they wrote letters to send them newspapers, which it was requested should be "well concealed." They were seemingly unaware that all letters from concentration camps were opened by the censorship, and that they were bringing suspicion upon themselves and their correspondents. The censor's staff in Sydney perused every week about 4,000 letters written by or to prisoners of war.

Some letters were expressly exempt from censorship. These included letters believed to emanate from governors and ministers of State, whether Commonwealth or State; the Papal Delegate in Australia; bishops of the Church of England and the Roman Catholic Church; the heads of religious denominations, judges, and consuls. But two exceptions were made to this rule. The exemption of the letters of religious leaders did not apply to the Lutheran Church on account of its German connections and of the large number of Germans in Australia who were Lutherans. As to consuls, the general rule of the censorship was that their letters should not be interfered with. Before the United States entered the war, and while the American Consul-General was in charge of the interests of Germany in Australia, and in official possession of the papers of the German consulate, it was an inviolable rule of the censorship that the seal of the United States consulate should be sufficient to pass any document through the post without interference. But consular correspondence was not entitled to be regarded as sacrosanct. Admittedly it ought to be treated with especial respect, and no letter addressed to or emanating from a consular office was ever touched unless certain facts suggesting suspicion were first communicated to the Deputy Chief Censor and he gave express authority for an examination to be made. This amount of supervision had to be insisted upon, because it was found that traders in one or two neutral countries were causing trouble, and were, indeed, the cause of leakages which it was the business of the censorship to prevent; and there was reason for believing that correspondence passing through the consular offices of the countries suspected contained evidence of contraband trading. In one instance an amusing mistake informed a consul that his letters were being examined. A document was translated by one of the linguistic assistants of the censor, but by error the translation was put into the envelope and forwarded to the consul together with the original letter. The consul, when he next met the translator, congratulated him on the excellence of his rendering, but assured him that it was not necessary to enclose the translation as he thoroughly understood his own language.

V

The difficulty of preventing the leakage of information by means of cablegrams was increased by the possibilities of wireless telegraphy; and there is no doubt that in the first few days of the war this instrumentality was employed. The method adopted was to telegraph over inland wires to remote coastal towns, from which the information was transmitted by unregistered wireless plants. The fact that preparations had been made prior to the outbreak of the war for information to be sent by wireless in this manner is in itself evidence of precautionary organisation on the part of the firms with German connections which adopted the method. That there was enemy activity in getting information out of the country by wireless was, however, discovered by August 8th, and thenceforth careful supervision was exercised over telegrams on land wires north of Perth. The use of codes for cable purposes was also prohibited, except to banks and well-known Australian firms. Even foreign consuls were not allowed to send or receive messages in code. As soon as the danger of leakage by wireless was recognised, and steps were taken to locate plants, the censorship of inland telegrams was almost entirely discontinued. Virtually the only cases to which it continued to be applied were those of persons suspected of enemy trading, or, especially after 1916, persons engaged in dangerous propaganda. After 1914 the naval censorship took entire charge of the censoring of wireless messages.

The censorship warned those responsible for the management of cable business to institute careful inquiries among their operators and other employees concerning their nationality and sympathies. Censors were also placed in the offices of the Eastern Extension Cable Company, the Pacific Cable Board and the general post offices. Very great care was taken in the selection of officers for this work, as it was evident that a person placed in possession of information gained from the perusal of commercial and financial cables could, if not perfectly scrupulous, make improper use of it for his own advantage. But during the whole period of the war not a single instance was even suggested of an officer of the censorship being concerned in the leakage of information through the handling of such messages. At the conclusion of the cable

censorship—which ceased throughout the British Empire and Allied countries at midnight on 23rd-24th July, 1919—the Australian censorship staff engaged upon this work consisted almost entirely of men of experience, the great majority of whom were returned invalided soldiers, and the censor in his final report justly claimed that “the almost entire absence of complaint from members of the public throughout the period of the war is a tribute to the efficiency of the officers and decoding clerks employed on the cable staffs.” This is a remarkable fact, having in view the fact that throughout the war the average number of messages dealt with per month by the various censor cable stations was 250,252, consisting of 98,195 cable messages and 152,057 telegrams, both inclusive of press cables and telegrams.

From 1916 the examination of cinematograph films was added to the already onerous functions of the censorship. A regulation was passed under the War Precautions Act giving the censor power to require the screening of a film “which relates or refers to the present war or to any subject connected with or arising therefrom, or which depicts anything in the nature of a cartoon which may be considered offensive to people of Allied or neutral countries.” Under this regulation an American film entitled *The Cheat*, which appeared to make an appeal to the anti-Japanese feeling in the western states of America, was prohibited, though one of the censors dryly commented that the reflection which the film made upon the morals and manners of the United States of America was worse than its references to the Japanese. A film called *The Yellow Passport*, also American, was absolutely forbidden. Another, entitled *Ireland a Nation*, professed to be a representation of historical events relating to the carrying of the Act of Union by the Irish Parliament, but was held to be nevertheless an oblique comment upon current Irish politics, and as such likely to cause contention and strife. It was at first prohibited altogether, but, after having been screened in the presence of the Minister of Defence, was allowed with certain “cuts” to which the producers consented.

The question of censoring gramophone records was brought forward in 1917. As many thousands of these discs were

imported annually, it would have necessitated a very considerable addition to the staff if it had been considered necessary to institute a systematic examination of them, and the task would probably have been agonising experience for those entrusted with the duty, especially for such returned soldier officers as had already suffered from shell-shock. But the Customs Department came to the rescue with the undertaking that its officers would detain any records which were addressed to private persons or traders who might in any degree be suspected of being favourable to the enemy; and this was considered sufficient.

One travelling lecturer received attention from the censorship. Mr. Ashmead-Bartlett,⁴⁵ an English war-correspondent, came to Australia in February, 1916, to deliver popular lectures on the Gallipoli Campaign and other war subjects. He was required, upon his arrival in Sydney, to furnish a copy of the lecture which he intended to deliver. He informed the censor that he had not written out his lecture, but was assured that it was absolutely necessary that what he intended to say should be written and a copy of the manuscript submitted for approval. Mr. Ashmead-Bartlett protested, but after argument agreed to furnish a copy by 6 o'clock. The officer of the censor's staff who dealt with the matter was a barrister with a keen critical faculty. He reported after perusal of the manuscript that it contained nothing dangerous, and in fact might be regarded as calculated to encourage recruiting. Mr. Bartlett was therefore permitted to deliver the lecture as advertised, but was warned that he must not deviate from the lines laid down in his manuscript, or his entertainment would be at once stopped and himself removed from the platform. An official stenographer accompanied by a military officer was sent to the lecture to check his language with that of the manuscript, a copy of which was duly filed with the censorship papers. The lecture was afterwards delivered in Melbourne, Adelaide, Brisbane, and other Australian cities.

Generally the censorship was not concerned with the examination of imported books, as there was power to prohibit the importation of undesirable literature under the ordinary Customs law. Indeed, the Deputy Chief Censor even requested

⁴⁵ E. Ashmead-Bartlett, Esq., C.B.E. War correspondent in Gallipoli, 1915, France. 1916; Member of House of Commons, 1924/26; b. 1881. Died 4 May, 1931.

that if anarchist literature was to be prohibited, action should not be taken by his officers, because he did not consider that he was warranted in using his powers against books which, however undesirable from a political point of view, were not objectionable from the standpoint of a military censorship. Some books of this class were held up by direct instructions from the Minister. But it was found that the censorship could not avoid paying attention to books, when it became clear that some with innocent-looking titles were in reality works of propaganda with a definite appeal to disloyal sentiments. Similarly, even poems and songs required attention. A choice volume of *Songs of Love and Rebellion* certainly stressed the rebellion at the expense of the love, and a song entitled "The Rebel Girl" deserved exclusion as doggerel no less than as treason.

Whenever the Department of Trade and Customs was in doubt about a book, this would be referred to the censorship for an opinion, and before the war ended there was a fairly long list of prohibited publications, which were stopped without further reference. Germany—resembling in this her opponents—systematically organised propaganda for the purpose of causing dissension or unrest in Allied or neutral countries, and creating a sympathetic feeling for the cause of Great Britain's enemies. Some of this work was very cleverly done. A book which attained a fairly wide circulation in Australia before its nefarious intention was discovered was entitled *The Finished Mystery*, and was actually published by a religious society in the United States. In appearance and from a cursory examination it seemed to be perfectly innocent. But this seraphic veneer, which was decorated with quotations from scripture, proved on closer examination to be the cover for a fervent prediction of the ultimate triumph of Germany in the war. Revolutions and moral decline were prophesied as the sure fate of certain nations, which were not named, though their identity was made evident, whilst the success of another nation—again not named, but indicated plainly—was predicted. Attention was drawn to this professedly theological book by the Canadian censorship, whose investigations revealed that the American society which issued it was "directly subsidised by German

money." In Germany, it was ascertained, more than a hundred writers of remarkable talent were employed in writing short stories and novels, wherein a political moral—if that be the proper word—was inculcated by means of cleverly depicted character and incident. These were translated into foreign languages and circulated in an attractive form. They were published in large quantities in the United States before the entry of that nation into the war. Japan also was a producer of these translations in the English language. A novel by Oskar Hoecker, *Human Bullets of Germany*, was printed in English in that country, and had a wide circulation—which, indeed, on its literary merits, might well have been enjoyed without question in any other than war times. But this book and others were on the Australian list of prohibited works because of their obvious propagandist intention.

VI

The official reports of the debates of the Commonwealth Parliament were, in the early period of the war, ordered to be treated as privileged, and were not subject to censorship. A statement was made in the Senate that passages from speeches had been omitted, but the President promptly characterised this as "a most improper suggestion," and said that "there had never been any censoring of Hansard."⁴⁶ The senator who made the statement did not support it by citing instances, nor did any other member of the Senate. But a distinction was drawn between censoring the official reports and censoring the reprints of them in newspapers. "There is a difference," it was officially submitted, "between censoring Hansard and censoring the publication of matter taken from Hansard." The reason was that a member of the Commonwealth Parliament might, and some members did, secure publication in the official reports of matter which would not have been permitted to be published by a newspaper; and it was not considered expedient that a newspaper should be enabled to obtain a right to publish prohibited matter by simply getting a friendly member of Parliament to embody it in a speech.

⁴⁶ *Commonwealth Parliamentary Debates*, LXXX, p. 10035

There were, however, instances of the censorship forbidding the newspapers to publish questions addressed to ministers in Parliament and the replies to them; and in one case neither a question addressed to the Prime Minister by the Leader of the Opposition, nor Mr. Hughes's reply to it—both of which were the subject of the censor's prohibition—are to be found in the report in Hansard.⁴⁷

But in these instances the Government disavowed responsibility. The censor was entrusted with defined powers, and ministers denied that they interfered with him in the exercise of them. The Prime Minister, questioned with regard to the censoring from Hansard of certain speeches delivered in the Queensland Parliament, stated that he had no knowledge that parliamentary speeches were being censored anywhere. The Speaker of the House of Representatives was "responsible for any censoring that may be done" in connection with that House, "and the Speaker of the Queensland Legislative Assembly has a similar responsibility."⁴⁸

The exciting controversies engendered by the conscription referendum campaigns, however, compelled the censorship to devote attention to the official reports of parliamentary debates, both Commonwealth and State, and at length the Federal Parliament, by the votes of both Houses, adopted a self-denying ordinance, giving to the President of the Senate and the Speaker of the House of Representatives authority to direct the compilers of the parliamentary reports to omit from them any remarks to which attention was directed by the law officers of the Crown as being inimical to the successful prosecution of the war. In this sphere, therefore, the censorship eventually operated through the law officers.

The first instance of interference by the censorship with the official reports of parliamentary debates occurred in Queensland. The Premier of that State, Mr. Ryan,⁴⁹ on the 19th of November, 1917, addressed a public meeting in Brisbane in opposition to the conscription proposals of the

⁴⁷ See *Parliamentary Debates*, LXXX, p. 8644, and the proceedings of 1 Sept., 1916.

⁴⁸ *Parliamentary Debates*, LXXX, p. 8644.

⁴⁹ Hon. T. J. Ryan. M.L.A., Q'land, 1909/10, Premier, 1915/19; M.H.R., 1919/21; Barrister-at-law, of Brisbane, b. Bootahpool, Port Fairy, Vic., 1 July, 1876. Died 1 Aug., 1921.

Commonwealth Government. Captain Stable,⁸⁰ the censor of the 1st Military District, prohibited the publication in the Queensland newspapers of some passages in the speech. Mr. Ryan took the earliest opportunity of repeating the excised portions, in a speech which he delivered in the Legislative Assembly, calculating that the "privilege of Parliament" would secure for them protection from the censor's attentions. The passages which had been omitted from the newspaper reports were printed in thick black type in No. 37 of the official report of the *Queensland Parliamentary Debates*. It was also learnt that Mr. Ryan had given instructions that the speech should be reprinted in pamphlet form and that 10,000 copies had been ordered for distribution during the second conscription campaign.

The district censor thereupon acted with prompt decision. On November 24th he served a notice upon the Government Printer ordering him to submit the report of the debate in the Legislative Assembly before publication. This the Printer did not do. Mr. Hughes, arriving in Brisbane on the 26th, at once directed the censor to seize all copies of No. 37 and of the pamphlet. That night Captain Stable, taking a small military party, in uniform but unarmed, carried out the instruction. Next day Mr. Ryan replied with the publication of a special issue of the *Queensland Government Gazette*, containing a notification addressed "to the Public of Queensland," in the following terms:

I deem it my duty, on behalf of the Government of Queensland, a sovereign state of the Commonwealth of Australia, to inform you that Hansard No. 37, containing a report of the proceedings of the Legislative Assembly of this State on the 22nd instant, has been denied transmission through the Post Office by the Federal Government.

The Gazette also contained a letter of protest from Mr. Ryan to Mr. Hughes.

On the same day, November 27th, these antagonists met at the Belle Vue Hotel, and, after some preliminary skirmishing, Mr. Ryan remarked, over a cup of tea: "I suppose you'll have martial law against me next time you raid the place, but you won't find it as easy a job as you think." This seemed to mean that the State Government would prevent the Federal

⁸⁰ Capt. J. J. Stable. Censor, 1st Military District, 1917/19; Lecturer i/c English, French, and German, University of Q'land, 1912/23, Professor of English Language and Literature since 1923; b Gawler, S. Aust., 14 May, 1883.

authority, if necessary by force, from access to the printing office. Going to the censor, Mr. Hughes told him to visit that office again, and demand delivery of any further copies of the offending publications that might have been produced. For the purpose Mr. Hughes, as Attorney-General, drew up a warrant which, whatever its legality, had at least a formidably legal sound. "Change into your civilian things," he said, "and, if anyone interferes with you, say that you are acting by authority of the Commonwealth and of the War Precautions Act and call upon all persons to assist you in the names of the King and Commonwealth."

Accordingly, accompanied by Mr. Hughes's private secretary (Mr. Deane⁵¹), a representative of the Commonwealth Crown Solicitor (Mr. Roberts⁵²), and a barrister (Mr. McGregor⁵³), Captain Stable—himself a lecturer at the University—proceeded to the printing office. Finding it closed, Stable went round to the back and knocked. A policeman inside asked what was wanted. Stable repeated his "open sesame," but the policeman was not impressed; behind him was a body of armed police. Stable climbed over the fence, and was about to jump down into the courtyard when the Government Printer himself arrived. He insisted on admitting the censor, who, after inspecting the office, was able to report to the Prime Minister that no more copies of *Hansard*, bound or in sheets, had been found there.

Mr. Ryan maintained that there had been an interference with the rights of a sovereign state, and, to test the legality of the censor's action, issued a writ against the Commonwealth Government, asking for an injunction. The Commonwealth, in turn, summoned Mr. Ryan and the Queensland Treasurer, Mr. Theodore,⁵⁴ before the Brisbane Police Court for having made false statements prejudicial to the public interest. The magistrate dismissed the case, stating that he declined to find on the facts. Mr. Ryan's action against the Commonwealth was settled out of court. But No. 37 was bound up with

⁵¹ P. E. Deane, Esq., CMG. Served in A.I.F., 1914/16; Private Secretary to Prime Minister, 1916/21; Secretary, Prime Minister's and External Affairs Depts., 1921/28, Home Affairs, 1929/32; Member of War Pensions Entitlement Appeal Tribunal, 1932/36. Of Melbourne, b. Melbourne, 10 Aug., 1890.

⁵² J. C. Roberts, Esq. Solicitor of Brisbane; b. Glasgow, 8 Feb., 1871.

⁵³ P. B. Macgregor, Esq. M.L.A., Q'land, 1920/23. Barrister; of Brisbane and Ipswich, Q'land, b. Helidon, Q'land, 9 Apr., 1866. Died 10 Apr., 1936.

⁵⁴ Hon. E. G. Theodore. M.L.A., Q'land, 1909/25; Premier, 1919/25; M.H.R., 1927/31; Commonwealth Treasurer, 1929/30, 1931; b. Port Adelaide, 29 Dec., 1884.

the annual volume of the *Queensland Parliamentary Debates*, with the censored passages printed in the thick type as originally intended to be published.⁵⁵

In July, 1918, the military authorities raided the Queensland Government Printing Office and prohibited the publication of a report of the State *Parliamentary Debates* because it contained a speech delivered in the Legislative Assembly on July 23rd commenting upon the treatment of certain internees. This time the censor took charge of the office for a day. The report was afterwards issued with these passages deleted. In both the Queensland cases the Commonwealth asserted its right to interfere with official publications of a state parliament when they were considered to contain matter prejudicial to the military policy of the Government; and the action was not successfully disputed by legal process.

A case arose in the Commonwealth Parliament in April, 1918. On January 15th of that year Mr. Catts,⁵⁶ a member of the House of Representatives, made a speech in support of a motion of no-confidence in the Hughes Government. In the course of it he made a strong attack upon the censorship, alleging that public men had been "persecuted" and newspapers subjected to "tyranny."⁵⁷ Objection was taken to certain passages in the speech in the course of its delivery, on the ground that Mr. Catts was using his position in Parliament to help the enemy, and that his conduct amounted to "a kind of treason." The Deputy Speaker, who was presiding at the time, ruled that the remarks to which exception was taken were out of order, and Mr. Catts accepted the ruling, "however much I may disagree with it."

It was an established practice in the Federal Parliament that a member who desired to do so might have a speech which had been delivered in the House reprinted in pamphlet form, by paying for the cost of the reprint. Mr. Catts made use of that privilege; and on Saturday, February 23rd, parcels

⁵⁵ See *Brisbane Courier*, Nov.-Dec. 1917, *passim*, *Queensland Government Gazette*, 1917; *Queensland Parliamentary Debates*, *Commonwealth Parliamentary Debates*, LXXXIV, 3275. One of the terms of the settlement of Mr. Ryan's action against the Commonwealth was that the Commonwealth should keep the pamphlets which it had seized, but should return to him the copies of No. 37. Afterwards, finding that the Commonwealth possessed only some half dozen copies of No. 37 but thousands of the pamphlet, he good humouredly told Sir Robert Garran that he had got the worst of the settlement.

⁵⁶ I H Catts, Esq. M.H.R., 1906/22; b. Wagga Wagga, N.S.W., 12 Aug., 1878.

⁵⁷ *Commonwealth Parliamentary Debates*, LXXXIII, p. 2962 *et seq.*

containing 5,000 pamphlets addressed to Mr. Catts were delivered at Parliament House. The Commonwealth arms and the words "Commonwealth of Australia" were printed on the cover, and the general appearance of the pamphlets had an official character. The Minister of Defence, on becoming aware that the reprint contained the passages which had been ruled out of order, intervened. The Speaker of the House of Representatives being absent from Melbourne at the time, the Minister wrote to the President of the Senate asking him whether he would direct the parcels to be detained. The President detained them pending the Speaker's return to Melbourne. The Speaker then informed the Minister of Defence that he had no official control over reprints of members' speeches, and did not feel justified in interfering with the delivery of the parcels, which were the property of the member who had ordered the reprint of the speech.

Two days later, February 28th, a military officer in uniform (Lieutenant Lempriere⁵⁸), accompanied by a detective, appeared at Parliament House and produced a search warrant signed by Brigadier-General Williams,⁵⁹ Commandant of the 3rd Military District (Victoria), giving him authority to seize the parcels. The officer interviewed the Clerk-Assistant of the House of Representatives, and, showing his warrant, asked that the parcels should be produced. The Clerk-Assistant disclaimed responsibility, pointing out that the parcels were not official documents, but were the personal property of the member to whom they were addressed. He refused to give any information as to where they might possibly be. The officer and the detective thereupon searched for them, and found them in the room allotted to members of the Labour party. They were forthwith taken away in a motor-car driven by a soldier in uniform. Subsequently (March 6th) the Minister for Defence accepted full responsibility for the action of the officer, stating that he had given the order for the removal of the parcels, "the contents of which were detrimental to the safety of the Commonwealth," and the

⁵⁸ Capt. C. A. Lempriere. Merchant; of Toorak, Vic.; b. East St. Kilda, Vic., 27 Mar., 1875. Died 16 Sept., 1938.

⁵⁹ Major-General R. E. Williams, C.M.G., V.D. Commandant, 3rd Military District, 1915/19; City Clerk of Ballarat, 1902/15; a Director of *Herald and Weekly Times*, Melbourne, since 1923; b. Ballarat, Vic., 13 Aug., 1855.

printing and publishing of them, he was advised, "amounted to a breach of the War Precautions regulations."

When these circumstances were reported to the House of Representatives by the Speaker (April 5th), the Leader of the Opposition, Mr. Tudor, moved a resolution expressing the opinion that "the intrusion into and invasion of Parliament House by a military force for the purpose of search and seizure, in defiance of the expressed objections and without the consent of Mr. Speaker, constitutes a breach of privilege." The Speaker objected to the statement that he had "expressed objection" to the action of the military authorities, inasmuch as the action was taken without reference to him. Mr. Tudor accordingly omitted the phrase from the motion, which after debate was negatived by 35 votes to 18.

In the course of the debate the Prime Minister read a statement from the Minister for Defence explaining why he acted as described. The statement embodied an opinion of the Solicitor-General (Sir Robert Garran), who, in addition to indicating passages in the speech which were breaches of the War Precautions regulations, called attention to the fact that Mr. Catts had already been convicted in Sydney on three charges under War Precautions regulations, and had been ordered to enter into bonds to comply with them during the continuance of the war. It was the Solicitor-General, also, who advised that the fact that the offending pamphlets were in Parliament House afforded no reason why they should not be seized. The Prime Minister denied that any question of privilege arose. Mr. Catts, he asserted, had sought to do under cover of privilege things which were unlawful. It was not legitimate for a member at a time of deadly peril to increase the danger by the circulation of indiscreet statements. Putting his point in a sentence, Mr. Hughes submitted that "we are not to play the part of traitors here and then cover ourselves with the mantle of privilege." The vote of the House supported the view of the Prime Minister.⁶⁰

While Mr. Watt was Acting Prime Minister (1918), he endeavoured to make an arrangement whereby members of Parliament would submit to "a voluntary censorship," specially in respect to remarks which might impede voluntary

⁶⁰ *Commonwealth Parliamentary Debates*, LXXXIV, pp. 3646-79.

recruiting; and he stated that he intended to strike out of the official report any observations of his own that might seem to have such a tendency.⁶¹ But the Defence authorities did not think it safe to rely upon a voluntary method of preventing the publication of indiscretions, and the Minister for Defence determined to take the bull by the horns and to submit in the Senate, of which he was a member, a direct injunction to the presiding officer to censor speeches and questions. Accordingly on September 25th, Senator Pearce moved:

That, during the progress of the present war, Mr. President be and is hereby authorised, at his discretion, to direct the omission from *Hansard* of any remarks made in the Senate in the course of debate, or in any other proceedings in the Senate, to which his attention may be directed by the law officers of the Crown, as being calculated to prejudice His Majesty's relations with a foreign Power, or the successful prosecution of the war, or to imperil the safety of the Commonwealth.

Senator Pearce stated that there had been instances in both Houses of Parliament, in which the President and the Speaker had omitted passages from speeches by the voluntary consent of the members who had made them, and that in each instance he had obtained the consent of the members affected. In one case, a whole debate in the Senate had been omitted.⁶² But he considered this a clumsy method of achieving the object in view. Statements were sometimes made in Parliament which, without such an intention by the members making them, disclosed information which it was most undesirable to publish. It was, for example, an advantage to the enemy to know the whereabouts of ships, and there was a case in which a question addressed to a minister in the House of Representatives had disclosed the location of a British cruiser and a Japanese vessel-of-war on the east coast of Australia. The danger of allowing such information to be disseminated is obvious, for one German raiding vessel, the *Wolf*, reached local waters and destroyed a number of merchant steamers. Though the censorship made efforts to prevent information which might be useful to the enemy getting out of Australia, still, if such information were published, it might in some way reach enemy hands. Prohibitions which had been marked by the censor "secret and confidential" had been read in the House of Representatives and embodied in the official report.

⁶¹ *Commonwealth Parliamentary Debates*, LXXXV, pp. 6429-31.

⁶² *Ibid.*, 6303-4.

It had come to the knowledge of the Defence Department that determined efforts had been made to publish and otherwise circulate in Australia a statement in regard to an ally with the object of causing dissension, and, said the Minister, "we knew with absolute certainty that the statement was of German origin, because we had the original sent out by the German Secret Service Department." On behalf of the Government he disclaimed any intention of interfering with freedom of speech in Parliament, but it was necessary to guard against the publication of mischievous matter, especially at a time "when the only chance of our defeat in the war lies in a break-up among the Allies"⁸⁸

The motion was agreed to by the Senate by 15 votes to 8.⁸⁴ On October 2nd a motion in the same terms was accepted by the House of Representatives, by 32 votes to 14.⁸⁵ During the remainder of the war, therefore, parliamentary proceedings in both Houses of the Federal Parliament were subject to this internal censorship, which might be exercised by the presiding officers at the instance of the law officers. Two months later, however, the Speaker informed the House that the discretionary power entrusted to him was one which, he was happy to say, he had not been called upon to exercise,⁸⁶ and at the same time he emphatically denied that the reports of debates had at any time been subjected to any kind of manipulation or interference by ministers. This disclaimer he felt called upon to make in consequence of a statement of Mr. Catts that, "no longer can the records of Parliament be relied on as true and accurate reports of the proceedings of Parliament, because now, under the direction and dictation of the Government, they are subject to such manipulation as Ministers may choose." In December the Speaker reported to the House that the crown law authorities had directed his attention to certain remarks which had been made on a previous day, and that, after consultation with the member who had made them, he had ordered their elimination.⁸⁷ But this was the only case of the kind reported in the House of Representatives; in the Senate the President had no occasion to mention the exercise of the discretionary power.

⁸⁴ *Commonwealth Parliamentary Debates*, LXXXV, p. 6306-7. ⁸⁵ *Ibid.*, 6407.

⁸⁶ *Ibid.*, LXXXVI, 6572.

⁸⁷ *Ibid.*, LXXXVII, 8510.

⁸⁸ *Ibid.*, LXXXVII, 9299.

The official attitude of the Labour Party concerning the censorship was declared in a letter to the Prime Minister from the Leader of the Opposition, Mr. Tudor, dated 10th May, 1918, wherein it was set forth:

We hold strongly that the essential conditions of freedom of discussion and public meeting should be re-established, and that these involve also an uncensored press, subject only to the limitations imposed by the necessity of withholding matters advantageous to the enemy, or—save where the paramount interests of our own country require a clear enunciation of the whole truth—matters likely to give offence to an allied power. Statutory Rule No. 304 of 1917 and various amendments, and Statutory Rule No. 182 of 1917, are examples of rules offending against the above principles.⁸⁸

There was no substantial difference between these principles and those under which the censorship worked. The actions of Mr. Tudor and of many of his party left no doubt of their sincere desire for the attainment of the war aims of Great Britain and her allies, but there were individuals, prominent both by speech and writing, of whom this cannot so confidently be said; and whatever their motives—possibly through failure to appreciate the probable consequences of their language—they made it impossible for “conditions of freedom of discussion and public meeting,” so far as these involved publication, to be reinstituted during the currency of the war. The instances in which there was deliberate endeavour to impede voluntary recruiting, or to thwart the attainment of victory, were rare, but still, there were such instances; and no government, whatever its complexion, could have permitted

⁸⁸ Statutory Rule No. 304, 1917, applied to the military service referendum. It consisted of several amendments of the rules previously promulgated. Probably the provision to which Mr. Tudor objected was the new clause (No. 42) which provided that “Any person who, on or before the polling day for the Referendum, makes or authorises to be made verbally or in writing any false statement of fact of a kind likely to affect the judgment of electors in relation to their votes, or who prints, publishes, or distributes any advertisement, notice, handbill, pamphlet, or card containing any such statement shall be guilty of an offence. Provided always that it shall be a defence to a prosecution for an offence under this sub-regulation if the defendant proves that he had reasonable ground for believing and did in fact believe the statement to be true.”

Statutory Rule No. 182, 1917, declared that it should not be lawful “for any number of persons exceeding twenty to meet in the open air in any part of the proclaimed place for any unlawful purpose, or for the purpose or on the pretext of making known their grievances or of discussing public affairs, or of considering of or presenting or preparing any petition, memorial, complaint, remonstrance, declaration, or other address to His Majesty or to the Governor-General or to both Houses or either House of the Parliament of the Commonwealth or to any Minister or Officer of the Commonwealth for the repeal or enactment of any law or for the alteration of matters of State.”

this, inasmuch as the will of the great majority of the nation was unquestionably against allowing freedom to make statements or to commit acts tending to hamper successful prosecution of the war in which a hundred thousand Australians were daily staking their lives.

CHAPTER IV

THE ENEMY WITHIN THE GATES

AT the census taken in 1911, the last before the outbreak of the war, there were within the Commonwealth 32,990 persons who were born in Germany, and 2,774 born in Austria-Hungary. These figures do not afford a clue to the total number of inhabitants of German origin, or who had ties of affinity connecting them with enemy countries, nor do the census statistics afford a dependable means of estimating the probable number of such persons. As will be explained in a later section of this chapter, there were in South Australia and Queensland, and to a lesser extent in Victoria and Tasmania, towns whose population consisted mainly of people of Australian birth, and whose forbears had for several generations been Australian, but who nevertheless were sentimentally attached to Germany as the land of their family origin. Very many of these habitually spoke German, were Lutheran in religion, and probably had never seriously thought of being placed in the predicament of having to discriminate between the allegiance which they owed to the British Crown and nation by virtue of citizenship, and the feeling—which there had never been any need for them to suppress—of affection for the *Vaterland* of their ancestors, whence came to them their literature, language and religion. It was not unnatural that some of the many thousands of German descent were prepared, from recklessness, or bravado, or quite honest patriotic motives, to help the German cause if they could, and their intimate knowledge of Australia and of Australian industry increased their power of injuring her cause.

The trade of Australia with Germany was also very large. In the list of foreign countries with which the Commonwealth had commercial relations, Germany stood second—the United States being first—in respect to the value of imports; and second also—France occupying first place—in respect to exports. Germany, next to Great Britain and France, was the largest purchaser of Australian wool.

It was the business of the Intelligence Section of the General Staff—the head of which in Australia throughout the war was Major Piesse¹—to prevent them from giving direct assistance to the enemy, and also to circumvent attempts to trade with the enemy through neutral countries. The passion evoked by the outbreak of the war was intensified when the news came over the cables of the German invasion of Belgium. All Germans and persons of German origin were looked upon with suspicion. Often there was a touch of hysteria, more often of malice, in the reports sent to military headquarters in the various states. Anonymous letters signed “Britisher” and “Loyal Australian” became as numerous in the files of the intelligence office as the epistles of “Constant Reader” or “Pro Bono Publico” were in the waste-paper baskets of busy editors. Every case reported was investigated, and it was frequently proved that what was vouched for as an unequivocal fact was no better than an unsubstantial or even absurd surmise. A few cases may be cited.

There were rumours in Melbourne in 1915 that mysterious flashlights had been seen on the Dandenong Ranges blinking across the plains to Western Port. It was positively asserted that people with a knowledge of the Morse code had read the signals, and that they were undoubtedly communications with a German raider lurking somewhere in Bass Strait. A weekly journal even charged the military authorities with unpardonable negligence for not tracking down the traitors, and it was suggested that a special battalion should be mobilised to scour the Ranges from end to end. An intelligence officer was sent to investigate. He found that “the lights referred to were due to a picture showman flashing his 30,000 candle-power electric lamp at intervals along the roads, over the hills and on to the clouds, with a view of attracting the attention of the local inhabitants to his entertainment.” The showman was advised not to use this form of advertising in the future. Another case reported was similar, though the lights were not so powerful. Various persons saw flashes among the trees of the Ranges and one was positive that he read in Morse

¹ Major E. L. Piesse, Director of Pacific Branch, Prime Minister's Dept., 1919/23. Solicitor; of Hobart, Tas., and Kew, Vic.; b. New Town, Tas., 26 July, 1880. (In March, 1916, his office was made a directorate. The Investigation Branch of the Commonwealth Attorney-General's Department, which co-operated closely with the military intelligence, was under Major H. E. Jones, of Hawthorn, Vic.)

code the words "Send me . . .," the remainder being unreadable from his position. Again an alert officer with a staff tab on his uniform went up to investigate. The flashes were traced to "a rabbit trapper doing his nightly visits to his traps with a hurricane lamp; the motion of his lamp as he moved over the rough ground being responsible for the unconscious representation of dots and dashes." A third case of suspected signalling affected a house in a rough and mountainous district. It was reported that for two or three hours every night a light was to be seen through a window—sometimes stationary, but at other times flashing at intervals, in such a way as to suggest that the Morse alphabet was being used. The officer who investigated found that "a kerosene lamp stood in the room of the settler's house, the window of which had no blind; immediately in front of the window was a small bushy tree, and on a windy night the movements of the tree to and fro in front of the window caused the effect of signalling." In another place, a supposed wireless mast for signalling proved to be a pole fitted up by a lad, with a cage and a decoy for snaring birds.

The flight of flocks of migratory birds at night induced reports to be made that aeroplanes had been seen overhead. The transit of a brilliant meteorite over part of New South Wales was certified by a chain of residents as that of an airship. Whales disporting themselves in the quiet waters of a seaside resort were supposed to be German submarines. Such reports as these were most frequent at times when the newspapers contained cablegrams about German aeroplane, airship, and submarine activity in Europe. Anonymous letters were numerous and not always valueless. Sometimes they contained genuine information about the doings of persons who were found to be dangerous; even scraps of conversation overheard in trains and trams, when communicated to the military authorities, in more than one instance revealed cases of trading with the enemy or the concealment of arms and ammunition. But more often the anonymous letter-writer was an unneighbourly mischief maker, after the fashion of the person who wrote, over the signature "All for Empire," the following:—"Mr. A—— of B—— Street does not work, but is plentifully supplied with money, which he spends freely.

His wife pretends to go out washing, but she has not been out for four weeks; this does not keep him!"

In the investigation of individual cases, the intelligence section made use of the services of the local police, which were willingly given. The cool, good sense of an experienced police sergeant with a knowledge of the people living in his district, saved many a person of German origin from interference, or even from removal to a concentration camp, when reports tinged with hysteria or malice might otherwise have brought discomfort upon him.

By far the larger number of persons of German descent living in Australia were loyal to the flag under which they lived, and where this was clearly the case, the disposition of the military authorities and their useful police allies was not to molest them. Immediately after the outbreak of war there was a rush of applications for naturalisation, which was granted generally without any searching inquiry into the bona fides and loyalty of the applicant and without the military authorities being consulted. Later in the war careful enquiries were made as to all persons likely to be disaffected, and all persons born in enemy countries were required to report themselves and be registered. It may confidently be said that no persons of this class who acted and spoke with discretion suffered annoyance by official direction, however much they may have been vexed by their neighbours or eyed askance by former friends. But some Germans were boastful and aggressive. They loudly proclaimed that victory for the Central Powers was inevitable, and made no secret of their disposition. In Sydney, for instance, it was reported that many members of German firms, wool-buyers, island traders, and shippers, showed that they could not be trusted. The military authorities were not inclined to take any risks with such persons. Again, in Melbourne, after the German Club in Alfred Place, Collins-street, was closed, some of its former members who had been in the habit of meeting there nightly to gossip over beer and tobacco, continued their convivial fraternising at a café kept by one of their compatriots. They were to be seen emerging therefrom in the early hours of the morning. Perhaps they had not been plotting treason, or even discussing politics; they were capable

of wrangling about the categorical imperative of Kant, or the construction of a Beethoven symphony. Some of them were well known to the Melbourne public; one was a musician of some distinction, whose friends warned him that he was running grave risks. But the advice was unheeded. The police became suspicious about this knot of enemy subjects who were to be seen emerging by a side door on dark nights. The result was that the entire group was suddenly consigned to a concentration camp to meditate upon its folly.

On the 10th of August, 1914, a proclamation was issued calling upon German subjects to report themselves to police stations nearest to their residences, and to notify immediately any change of address.² As will be described in the next section of this chapter, from the early days of the war it had been necessary to intern many enemy alien reservists, and in February, 1915, all were collected for internment. The Aliens Restriction order, promulgated on 27th May, 1915, made it an offence for an uninterned enemy alien or for a naturalised subject of enemy origin to leave the Commonwealth without a permit. Action was taken to prevent their presence on ships, or wharves, or in the vicinity of military or naval buildings. Not until October, 1916, did the Government enforce Alien Restriction regulations, which provided for the registration of all aliens, whether enemy or otherwise. In addition, with a view of keeping a record of their movements, it was made compulsory for every hotel and boarding house to keep a register showing when an alien first stayed there and the date of his leaving. At various times new passport regulations enabled more adequate control to be exercised over aliens. Strong powers were taken enabling the authorities to deal, if necessary, with sailors of any nationality, desertion from steamers being frequent. Those enemy aliens within the Commonwealth whom it was not considered necessary to intern were required to report themselves weekly, and they were not permitted to move from one district to another without notifying their movements.

² On Aug. 13 the measure was extended to Austrian subjects, war against Austria having been declared on Aug. 12. Having once reported his address, an enemy alien was not required to report again unless he changed it. The intention was merely to ascertain where he was.

A War Precautions regulation (No. 55) gave authority to intern any naturalised subject who was disaffected or disloyal; and this power was extended by a regulation (No. 56) permitting the internment of natural-born British subjects of enemy descent who showed themselves disloyal, and of persons of hostile origin or association.

Under *The War Precautions (Enemy Shareholders) Regulations 1916*, enemy shareholders were required to transfer their shares to the public trustee, with full authority to hold them till twelve months after the war or sell them in accordance with the regulations. Naturalised persons of enemy origin were required either to transfer their shares as above, or to apply to the Attorney-General for exemption. The enemy shareholders' shares, or their proceeds, were afterwards dealt with according to the Peace Treaty, that is, credited to the reparations account. To naturalised persons, many exemptions were granted. Where exemptions were not granted, their shares, or the proceeds, were eventually returned to them. By *The War Precautions (Land Transfer) Regulations 1916*, contracts for sale of freehold or perpetual leasehold to enemy subjects were forbidden, and also leaseholds or other tenures for more than five years. In the case of naturalised subjects of enemy origin, such dealings were forbidden except with the consent of the Attorney-General, and this provision was afterwards extended to cover mortgage to such persons. Under these two sets of regulations, a vast number of applications for exemption or consent were made by naturalised persons to the Attorney-General. They were dealt with, under delegation, by the Solicitor-General (Sir Robert Garran) according to their merits. When there was no good ground for refusal, exemption or consent was usually granted.

Under *The War Precautions (Mining) Regulations 1916*, no interest in a mining or metallurgical company or business (or of any security issued by such company or business) was allowed to be acquired by any person, other than a natural-born British subject, without consent of the Attorney-General; nor could any application for grant of a mining lease for more than five years be granted, except to a British subject.

Many Germans in Australia were dismissed from their employment when the bitterness of feeling against people of

their nationality increased. At Broken Hill—the large silver-lead and zinc mining town, lying by itself far out in the semi-arid west of New South Wales—the universally growing antipathy was early precipitated by one of the strangest incidents that happened in Australia during the war. On New Year's Day, 1915, the local branch of the Manchester Unity Order of Oddfellows was to celebrate its annual picnic. At 10 o'clock the picnickers set out, packed in a train of ore-trucks, on the Silverton "Tramway." The train had gone only two miles when an ice-cream cart flying the Turkish flag was noticed on the road beside the line, and near by, on the bank of the long pipe-line from Umberumberka dam, two Asiatics with rifles. Some of the picnickers thought these men were shooting rabbits until, as the train passed close to them, it was realised that they were pouring their fire into its crowded trucks. A young woman and man in the train, and a horseman riding beside it, were killed, and a boy and girl, three women, and an old man wounded, some of them very badly. As soon as the train was beyond danger, a telephone message was sent to the police, and a number of these, together with such soldiers as could be collected and some rifle-club members, hurried out to the scene.

Meanwhile the two riflemen, after calling at a cottage and shooting its occupant, had retired to a rocky hill where one of the police, who came upon them unexpectedly, was wounded. After a fight lasting till past noon, in which some of the local Indians among others helped the police, one of the murderers was killed and the other seriously wounded. It was then discovered that they were Turks,³ who had lately been brooding over certain grievances, and had decided to die fighting for their country. There were afterwards found beside their bodies papers in which they wrote that the project was entirely their own, but many of the infuriated citizens of Broken Hill attributed it to German agitation. The German club was burned that night by a crowd, and the police and soldiers had difficulty in preventing an attack on the camp of "Afghan" camel-drivers outside the town. One of the mines next day took steps to rid itself of employees of enemy

³ The elder was the Mullah Abdullah, who had long been a butcher at Broken Hill; the younger Gool Mohammed, an ice-cream vendor.

nationality. Mr. Hughes, Attorney-General of the Commonwealth, remarked that the incident pointed to the danger of leaving enemy subjects at large.

Later in 1915, especially when the first long casualty lists from Gallipoli began to arrive, the feeling against local Germans became intense. The dismissals of them from employment were more often due to the unwillingness of their fellow employees to continue working with them, than to the indisposition of employers to retain their services. There were protests from workmen in nearly all avocations—miners, artisans, sailors, labourers, foundrymen, clerks, shop assistants, postal electricians, coal lumpers, all joined in the outcry against "the German menace," and refused to work with men of German nationality. The coal miners at Wonthaggi, Victoria, threatened to strike because an enemy alien continued to work in a mine. The employees of the Cockatoo Island dockyard, New South Wales, objected to a man of German parentage being retained, although he had come to Australia at the age of fourteen. The men at the Newport railway workshops, Victoria (17th May, 1915) passed a resolution requesting the Railways Commissioners to dismiss immediately all men of German or Austrian parentage. The consequence of this wave of anti-German rage which romped through the country was that many Germans were thrown out of employment, and, being without a means of livelihood, offered themselves for voluntary internment; and the Government was compelled to take charge of them, since it was clearly impossible to leave them to starve.

Liverpool concentration camp contained a number of prisoners who thus threw themselves upon the consideration of the Commonwealth, and were given quarters and sustenance; and their wives and families, when they had such dependants, were accommodated at Bourke. In all cases where Germans were interned after arrest, warrants were signed by the Minister for Defence, and instructions were given to the officers charged with the execution of the warrants that the original should be shown to the person to be interned, and a copy handed to him.

The movement for the dismissal of German employees was by no means confined to those employed in industry. In the

same spirit demands were made that all Germans in Government employment, or engaged in the service of Universities, or other public institutions, should be dismissed, and the storm was too strong to be resisted even in cases where those responsible had no doubt about the loyalty of the individuals affected. Public men of German extraction were subjected to virulent attack. The Attorney-General of South Australia, Mr. Homburg,⁴ resigned office. In Victoria a member of the Legislative Council, Mr. Sachse,⁵ who was born in Queensland, but whose father was born in Halle, was attacked by a fellow member, whom he had defeated in the election of a Chairman of Committees. His accuser described him as a man "of alien origin," and the Council appointed a Select Committee to enquire into the truth of the accusation and Mr. Sachse's denials. The report of the Committee left no doubt as to Mr. Sachse's being a British subject and he continued as the Council's Chairman of Committees throughout the period of the war.⁶ There was clearly more of personal bitterness and disappointed ambition than of desire for the public welfare in this case, and the Council had no difficulty in discerning the motives. One of the Labour members in the Commonwealth Parliament, Mr. Dankel,⁷ who was of German birth, refrained from offering himself for re-election when the 1914-17 Parliament was dissolved.

In Australia—as in Canada—the position of naturalised Germans in war-time was rendered much more difficult by the efforts of the German Government during the preceding generation to retain the loyalty of Germans who had become subjects of other sovereigns, not merely fostering their affection and encouraging their retention of the German tongue, but rendering them subject in certain cases to the laws of military service which some attempted to evade. When feeling became bitter, the question naturally arose whether these people could safely be allowed to exercise their voting

⁴ Hon. H. Homburg, M.H.A., S. Aust., 1906/15, 1927/30, M.L.C. since 1933. Attorney-General, S. Aust., 1909/10, 1912/15, 1927/30. Barrister and solicitor; of Dulwich, S. Aust., b. Norwood, S. Aust., 17 March 1874.

⁵ Hon. A. O. Sachse, M.L.C., Vic., 1892/1920. Civil and mechanical engineer, of South Yarra, Vic., b. Toowoomba Q'land, 22 May, 1860. Died 25 July, 1920.

⁶ See *Victorian Parliamentary Debates, 1917-18*, Vol. 148, pp. 12 *et seq.*, 330 *et seq.*, and 464 *et seq.* The Select Committee's report is printed on p. 458 of the *Debates*.

⁷ G. Dankel, Esq., M.H.A., S. Aust., 1905/12; member of C'wealth House of Reps., 1913/17. Butcher, of Kensington, S. Aust., b. Brunswick, Germany, 6 March, 1864. Died 31 May, 1926.

power. In 1915 Mr. W. A. Holman, then Premier of New South Wales, and in 1916 Mr. W. M. Hughes, indicated that steps would be taken to disfranchise them. Eventually, in April, 1917, by the Commonwealth Electoral (War Time) Act brought in by Mr. Hughes, naturalised aliens born in enemy countries were, with few exceptions, deprived of the right to vote at Federal elections during the war and for six months thereafter.

II

On 7th August, 1914, the notification came from London that enemy reservists in Australia should be detained, and steps were immediately taken to "round up" men of that class. It was not at first considered necessary to keep them all in detention. Many were liberated on parole. But in September additional instructions were received to the effect that all enemy reservists and enemy subjects of military age found on ships, should be placed under arrest. In October came the further instruction to intern all enemy subjects whose conduct was considered suspicious or unsatisfactory, whether they were reservists or otherwise, and notwithstanding that they might have given parole.

It therefore became necessary to establish internment camps, and these were formed at the following places:

- 1st Military District (Queensland)—Enoggera.
- 2nd Military District (New South Wales)—Holdsworthy and Liverpool.
- 3rd Military District (Victoria)—Police Dépôt, St. Kilda Road, Melbourne; afterwards at Langwarrin and Point Cook.
- 4th Military District (South Australia)—Torrens Island.
- 5th Military District (Western Australia)—Rottnest Island.
- 6th Military District (Tasmania)—Claremont; afterwards at Bruny Island.

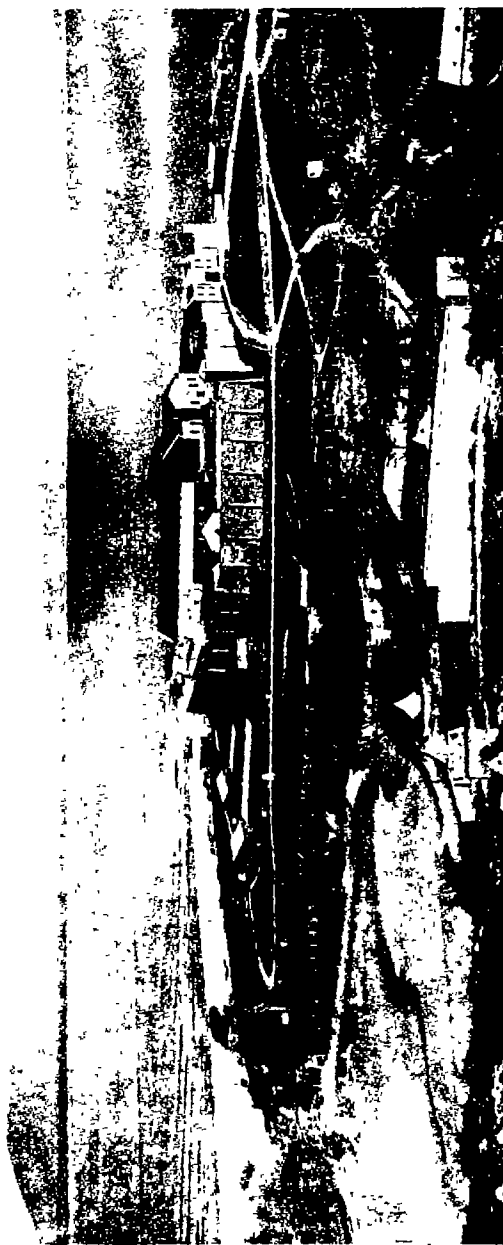
Some prisoners-of-war were also detained at Trial Bay, Berrima,⁸ and Bourke, New South Wales. Bourke, which

⁸ The Berrima and Trial Bay camps were in old gaol enclosures, but with excellent recreation areas for boating and other sports available. The camp at Point Cook in Victoria was for a few destitute Germans interned at their own request.



9 THE THEATRE AT THE LIVERPOOL INTERNMENT CAMP

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10 THE INTERNMENT CAMP AT TRIAL BAY, NEW SOUTH WALES

Lent by Sir John Harvey,
Aust War Memorial Collection No H12132/1.

lies far in the interior, on the Darling River, was chosen because there happened to be a number of vacant houses there. It was used chiefly for women and children. These included the families of internees, for whom it was necessary to find accommodation when the breadwinners were deprived of their occupation. To Bourke also were brought the dependants of those prisoners-of-war who were sent to Australia from Singapore and Ceylon. But in May, 1918, this town was abandoned as a place of internment. Early that year the Australian Government had been asked to receive 3,300 internees from China, which had declared war on Germany in the previous August. Another 1,700 appeared likely to come from German East Africa. Accordingly, a large new camp to receive the married people and families was built near the Molonglo River in the Federal Capital Territory, it being hoped that the huts would afterwards furnish accommodation useful for the workmen building the projected capital at Canberra. In the end the Germans from China and East Africa did not come to Australia, and the Molonglo camp was used for the families previously interned at Bourke, and proved more agreeable to the women and children.

The Berrima camp was used mainly for ships' officers, who included some of those of the German cruiser *Emden*; and the Trial Bay camp was used for single men—chiefly those of some education—who were themselves able to pay for their accommodation, and whom the manual work and the rougher companionship of their countrymen at Liverpool, where they were first confined, had rendered discontented and dangerous.

In 1915 it was determined to break up the State camps and remove the greater part of the prisoners to a great concentration camp at Liverpool. This became therefore the temporary and unappreciated home of a very large number of persons of enemy nationality or sympathies, about three-quarters of whom were Germans, one-fifth Austrians, with a small sprinkling of Bulgarians and a dozen Turks. Of the Germans some 1,100 were sailors, and about 850 came from Singapore, Hong Kong, and Ceylon, and 130 from the British and German islands in the Pacific. But 3,272 were German subjects previously resident in Australia, and 393 were naturalised Germans. The total number of all nationalities

interned in Australia, including 84 women and 67 children, was 6,890. In view of the large number of people of German descent who were living in Australia when war was declared, the fact that so few were held in internment was very satisfactory. But about 4,260 enemy subjects or suspected persons were on parole under police supervision. The largest number of these (1,466) resided in Queensland, the next largest number (889) in Victoria. In South Australia, where the element of German descent was proportionately high, it might have been expected that the number on parole would be large; but in fact there were only 415 Germans or Austrians; in Western Australia 552, and in Tasmania 35.

The Liverpool Concentration Camp was under the command of Major Sands⁹ from October, 1914, to September, 1916, when he was succeeded by Lieutenant-Colonel Holman.¹⁰

Nearly a thousand of the inhabitants of the camp came to it from abroad. In February, 1915, the Governor of Hong Kong cabled to the Governor-General asking whether the Commonwealth would consent to take charge of 38 German prisoners-of-war of military age who had been captured at sea by a British cruiser, and brought to that settlement. The Commonwealth Government (February 26th) agreed to do so.¹¹ Within a few months there were 280 prisoners-of-war from Hong Kong at Liverpool camp. From Singapore also came an appeal signifying that, owing to serious disturbances there, the Governor of the Straits Settlements would be much relieved if the Commonwealth Government would permit all German or Austrian civil prisoners who had been interned to be removed to Australia, as it was felt that their continued presence would considerably hamper the colonial government "in dealing with possible emergencies." Again the Commonwealth Government gave willing assent. From Singapore, therefore, came about 270 fresh additions to the Liverpool aggregate. Again, Ceylon was troubled with disorders. The Governor of that island

⁹ Col. R. S. Sands, M.B.E., V.D. Commandant, Concentration Camps, Australia, 1914/16. Company director; of Mosman, N.S.W.; b. Waverley, N.S.W., 13 March, 1881.

¹⁰ Col. R. C. Holman, D.S.O., D.C.M. Commandant, Concentration Camps, Australia, 1916/20. Officer of Aust. Permanent Forces; of Sydney; b. Upwey, Dorset, Eng., 26 Sept., 1861. Died 13 Dec., 1933.

¹¹ Governor-General's Official Papers, Canberra.

bethought him of the vast spaces of Australia, and considered that his German prisoners would be safer there. "Very well," said the Commonwealth Government, "send them along;" and hither they came, more than 300 of them, full of grievances, adept grumblers, sullen and unhappy beings caught in the whirl of war and wafted to a dusty and desolate cantonment surrounded by barbed wire, where there was little else to do than brood upon their misfortunes. To these prisoners from oversea were added others from Borneo, New Caledonia, Fiji, New Guinea, and the Solomon Islands. All were Germans or Austrians who had been living in the tropics. In the winter months they felt severely the bleakness of Liverpool, and in the summer they found its dust even more irritating. The cost of their transference from oversea and of their maintenance was born by the governments which sent them, the expense working out at about 3s. per man per day.

The arrival of these prisoners from Asia and the Pacific was always an event evoking the curiosity of the inhabitants of the camp, and the contingent from Ceylon was especially interesting. They included a number of Roman Catholic priests and Lutheran pastors of German nationality, and also, strange to say, some Buddhist priests likewise of German origin. Their coming was described by an observer in this picturesque passage:

The Buddhist priests being dressed in yellow and brown robes, were the subjects of considerable curiosity and hilarity, and immediately they arrived they were christened by the internees as canaries, and for days afterwards, whenever one of these priests appeared, whistling in imitation of canaries was the order of the day. These people took their internment in a most philosophical manner, and it was extremely interesting to watch them at their devotions, when they went out of their way to cause themselves physical pain and discomfort in the acts of penance they resorted to. They were extremely easy to feed and clothe, as they would not accept the ordinary articles of issue, neither would they requisition for any blankets, and for pillows they asked permission to procure large stones from outside the compound, so that they might rest their heads on them at night. Later, however, the majority of this religious sect, due perhaps to the ridicule of their fellow-countrymen, forsook their religion, were clothed in the orthodox trousers, and ate three good square meals a day.

One means of relieving the tedium of camp life was possessed by Germans to an extent that no other prisoners-of-war could equal. They are, *par excellence*, a musical race.

There were before the war German bands which played in the streets of the capital cities of Australia, and whose performances are remembered with pleasure. The internment of these bandmen—there were at least three good bands in the country in 1914—provided music for several camps, and when the concentration at Liverpool took place, that camp possessed a corps of skilled musicians who gave delight to the officers and guards as well as to the internees. It was the custom of the bandmen to awaken the camp every morning by playing familiar German melodies, some of them folk tunes of rich beauty; and this great volume of tone, ringing through the clear morning air just after dawn, thrilled those who heard it and stirred in the hearts of many the memory of happier days. There was no camp without its Liedertafel, and in respect to vocal music, also, Liverpool was excellently served. Chorus singing was assiduously practised, and many superb performances of operatic selections and part songs were given. There were string quartettes for the rendering of classical music. If an instrument was required some clever craftsman would make one. Berrima camp boasted of a violoncello made from a piece of sheet iron, painted and stained.¹²

The theatres were a great source of amusement. The concentration camp contained a fund of histrionic talent; and though the female parts in the plays performed had to be taken by men, that, after all, was but a reversion to the practice of the Elizabethan age, and it is testified that "by the careful use of feminine garments, assisted by paints, oils, and false wigs, strangers would be totally deceived by the trueness of the character represented." There was a *Deutsches Theater* at Trial Bay as well as the larger one at Liverpool; but the latter was by far the more efficient, and it presented a range and quality of dramatic entertainment such as could not be matched during the same period by the combined theatres in Sydney and Melbourne. From the commencement of the Liverpool Camp theatre in 1916 to March, 1918, no fewer than 100 plays had been produced. They included representative

¹² This original instrument is said to have "had a wonderful tone," though precisely what is meant by "wonderful" is not specified by the recorder.

pieces by Schnitzler; Gogol; Bernstein—"Das Dieb"; Bernard Shaw—"Frau Warren's Gewerbe" ("Mrs. Warren's Profession") and "Helden" ("Arms and the Man"); Sudermann, Pinero—"Seine zweite Frau" ("The Second Mrs. Tangueray"); Ibsen—"Nora" ("The Doll's House") and "Stützen der Gesellschaft" ("The Enemy of the People"); as well as specimens of German classical drama and a number of light comedies and farces, including "Charley's Aunt" ("Charley's Tante").¹³

Newspapers were regularly published both at Trial Bay and Liverpool. The Trial Bay journal, *Welt um Montag*, was a typewritten production reproduced by a gelatine process; 42 numbers of it were issued. The Liverpool newspaper, the *Kamp Spiegel*, was also typed and similarly reproduced for the first year (from 9th April, 1916), but from 15th April, 1917, it was printed, in a good, bold Gothic type.¹⁴ In form it was a small quarto, on a cheap paper, but produced in an eminently workmanlike fashion. It contained articles on miscellaneous topics, criticisms of the camp concerts and theatrical performances, descriptions of sporting events, verse—some of it of good quality—jokes about camp life, humorous drawings, news of the day, and items of varied interest. Sport was taken seriously in camp, and a philosopher addressed himself solemnly to discussing in an article of more than average length the virtues of sporting diversions: "Fragen wir uns nun, Was ist Sport?" The accounts of the games of "Fussball" were sometimes probably as amusing as the games themselves. A humorist wrote a series of articles purporting to be letters from Berlin (from "deine Anna" to "geliebter Heinrich"), and a fairly regular contributor of articles of a more serious kind was Dr. F. Th. Mueller. The publication was of course examined by the censor, but that official offered no obstacles to the publication of articles on the birthday of the Kaiser and Crown Prince, or to an article, particularly well written, on the anniversary of the sinking of the *Emden*. The editor

¹³ A complete list of the 100 plays produced at Liverpool is contained in the issue of the *Kamp Spiegel* for 3 March, 1918. In the issue of the same camp publication for 30 April, 1916, is a line drawing showing the first theatre possessed by the camp, "das alte Theater," which was a canvas-tent structure, and also of the new theatre, "die neue Theaterhalle," which was a well-built wooden structure.

¹⁴ *Kamp Spiegel, Wochenschrift für die Kriegsgefangenen in Australien*. Herausgeber, Ludwig Schroder. Liverpool, New South Wales.

L. Schröder, was both competent and tactful, and he managed to produce a publication which for the variety of its contents and the standard maintained was, in the restricted circumstances, remarkably successful. From 28th April, 1918, the paper was issued monthly under the editorship of F. Lacks, but after the new editor had produced seven numbers Schröder again took command, and continued to edit the *Kampfspiegel-Monatshefte* until the conclusion of camp life at Liverpool.¹⁶

Amidst these diversions, and with quarters which were idyllic when compared with the terrible life of their compatriots and enemies in the trenches of Flanders, the Germans at Liverpool fared exceedingly well. But not unnaturally many enjoyed posing as martyrs, and wrote letters—which were, of course, censored—painting their condition in terms which would not have been inappropriate for describing the denizens of Dante's Inferno. The absurdity to which this pose led them is illustrated by the following incident. A committee of internees desired to print an illustrated booklet, which purchasers could send to friends in Germany, containing pictures of the camp with descriptive text. Permission was readily accorded by the authorities. An editor was appointed, who undertook the financial responsibility. Photographs were taken and drawings made. The work was admirably done. All the pictures were the work of internees. But when the book¹⁶ was finished, and an order for printing 10,000 copies had been executed, the result made the camp look too picturesque and pleasant for the taste of the martyrs. Their friends in Germany would never think that Fritz and Wilhelm and Heinrich were suffering if this book went home to them. A systematic attempt was therefore made to boycott the production. The unfortunate editor and his committee were in despair. All their work would be wasted and the expenditure upon it would involve heavy loss. Then a bright idea struck an officer of the camp. He applied to the Government

¹⁶ The Mitchell Library, Sydney, possesses complete sets of the Liverpool *Kamp Spiegel* and the Trial Bay *Welt um Montag*.

¹⁷ *G. C. C. Album*. Described on back of cover as "Bilder, Zeichnungen und Entwuerfe von Stefan Pokora, Otto Hermann und Richard Kunze. Die Original-Aufnahmen sind mit guetiger Erlaubniss des Kommandanten, Major S R Sands, hergestellt. Herausgeber, Heinrich Jacobsen, G.C.C. Liverpool." The title-page bore the inscription "Zur Erinnerung an meine Kriegsgefangenschaft, G.C.C., 191—" The unfinished date was significant.

for funds to buy up the whole of the unsold copies. The money was provided, and every letter that went from Liverpool camp to Germany had a copy of the book sent with it; so that nearly 10,000 copies were distributed giving a true representation of the Australian camp.¹⁷ The cream floated to the top of the joke when letters began to arrive from Germany, thanking Heinrich and Wilhelm and Fritz for the charming book and giving the assurance that the recipient having perused the same, had ceased to have any anxiety about conditions in distant Australia. The martyrs had been very prettily out-played.¹⁸

The camp canteen was well provided with goods which internees could purchase from their earnings or their personal resources at prices not higher than those ruling in Sydney. There was also a shopping centre where various tradesmen were permitted to sell their wares, which included varieties of sausage, dear to the German appetite, fruits, pastry, cheeses, tinned meats, and tobacco. There was even a camp pawn-broker, who carried on a prosperous business. All the profits made from the canteen were devoted to purchasing extra comforts and amusements, the money being expended at the discretion of the elected camp committee. But it was found difficult to obtain the services of a staff of thoroughly honest canteen salesmen. They pilfered shamelessly, thus reducing the profits which should have gone to benefit the whole camp.

As the canteen was "dry," some ingenious internees sought to gratify a craving for stimulants by making stills from old tins and scraps of piping; and with these crude implements they distilled a fiery spirit from rice, potatoes, fruit, or anything that would yield alcohol. The drinking of this strong and demoniacal beverage was productive of much violence and a tendency to run amok. The camp officers became suspicious and made a search, as the result of which several of the ringleaders of the distillery party were arrested. As there was no special regulation for internees under which they could be arraigned, the Department of Trade and Customs took

¹⁷ One result of the posting of copies of this book to Germany was to make it extremely rare in Australia. For the present work, however, copies were obtained through the courtesy of Major E. L. Piesse and Sir John Harvey.

¹⁸ The details concerning concentration camp life, in the preceding paragraphs, are based upon unpublished reports and documents in the Defence Department

the matter in hand, and charged them with illegally distilling spirit. They were fined £200 or in default twelve months' imprisonment. After this exemplary action there was no more trouble of the same kind.

The prisoners in the Trial Bay camp at the mouth of the Macleay River, being those who were able to pay for the comforts and amenities of life, fared better than did those at Liverpool. When the camp was visited by Mr. Mark Rutty,¹⁹ the senior consul for Switzerland, on the 17th of June, 1917, he found the 580 men living there in the enjoyment of a holiday existence. The situation was agreeable. There was warm sea bathing for those who were disposed to avail themselves of it; there were a theatre holding 240 persons, an orchestra, and a library of 2,500 volumes; and the well equipped hospital had not a single occupant, for there was no sickness. The internees occupied substantial stone buildings; they were at liberty during the day to roam over the peninsula, with its superbly shaped and lofty cliffs, its fragrant bush, and its charming views of the sea. The white sandy beach was open to them. If they had been disposed to make the best of things, life could have been tolerably happy and they need scarcely have noticed the limitations set upon their liberty. But there were in this compound some Germans who had been heads of large business concerns, accustomed to giving orders and having them obeyed.²⁰ These were full of bitterness over the mere fact of their internment, and, as an officer reported, "find pleasure in annoying the authorities in every conceivable way." Actually their frequent acts of rudeness, irritability, and truculence supplied ample justification for the conclusion that enemy aliens of their temperament could not prudently be left at large in time of war.

Early in 1917 information, received from Java, that German sympathisers there were considering a cutting-out expedition to rescue the prisoners at Trial Bay, left the Australian military authorities undisturbed. When, however, early next year it was learned that the raider *Wolf* had several months before visited the coast of New South Wales, it was thought wise to

¹⁹ M. Rutty, Esq. Senior Consul for Switzerland in Australia, 1896/1917. Indent merchant; of Wahroonga, N.S.W.; b Geneva, 26 May, 1862.

²⁰ They included "tea planters from Ceylon, rubber planters, ships' officers, and military officers" (E. Samuels, *Diary of Australian Internment Camps*, p. 30).

close the camp, and the prisoners were transferred mainly to Holdsworth, near Liverpool.

At Liverpool, though the conditions were not luxurious, they were made as comfortable as circumstances permitted. At the beginning the necessity of having to make sudden provision for hundreds of men involved a certain roughness and incompleteness in the arrangements, but these were rapidly remedied. It was the policy of the administration, as stated by the Prime Minister in a despatch, "to lessen discomfort and to encourage any activity in the camps which will interest and occupy the time of the internees." Until December, 1916, the camps were under the direction of the Headquarters General Staff, but after that date control was taken over by the Adjutant-General.

Complaints were frequent, especially in the early history of the camps. Some of these were addressed to the Governor-General; and the files of his papers show with what care and promptitude he caused them to be investigated, and courteous answers to be sent to the complainants. The administration, also carefully enquired into complaints, and directions were given that legitimate grievances should be remedied. There was one case in 1915—not at Liverpool, but at a state camp—where the officer-in-charge had ordered the flogging of two German prisoners whose conduct was insolent and insubordinate, and who had attempted to escape. There is no doubt that the patience of the officer had been taxed. The prisoners at this camp habitually insulted the guard, and the two offenders in this case were guilty of inciting to mutiny. It was necessary to take measures to preserve discipline and avoid more serious consequences. But the administration would not support an officer who had subjected prisoners-of-war to such treatment. It was insisted that "no punishment may be inflicted on a prisoner-of-war which cannot be inflicted on a soldier of the army which holds the prisoner." The commission of the officer who ordered the flogging was therefore cancelled.

The prisoners generally were well-behaved and reasonable, but there were some for whom nothing was ever right. They were perpetually sour-tempered and resentful. The peaceably-disposed were dragged into the quarrels of the rancorous. A German prisoner at Liverpool wrote: "Any Englishman or

Australian is preferable to a German as far as I am concerned. Hatred, envy, fighting, insults of every kind, and theft, are the order of the day here. I have had fully 30 M. worth of things stolen, and nobody worries about it." Another German prisoner wrote: "Low brawls are common here. A decent man is looked at askance. I never thought such a thing possible among Germans." A Czech, imprisoned because he was a subject of the Austro-Hungarian monarchy, wrote: "The only thing lacking is money, which the Germans here in Australia have stolen from me. They are very antagonistic towards us (*i.e.*, the Czechs). The Germans are the real gipsies."

These extracts from correspondence which passed through the hands of the censors are indicative of the boredom and ill-temper which afflicted men who had been accustomed to leading active lives, and who now found themselves restrained and thrust into company which was often uncongenial. The tempers of some, who were rebellious by disposition, were apt to be affected by the nature of the war news. As an officer-in-command of a camp reported—

They become almost openly aggressive and contumacious on receipt of news of a Central Powers' triumph, and subdued and sullen when the pendulum has swung in the other direction.

There was an abundance of good food, the rations for prisoners being precisely the same as for soldiers; but sometimes the monotony of the fare evoked a cry of anguish. "In time we shall have wool growing on our bodies," wrote a prisoner, "from the everlasting mutton. At any rate I will never eat such stuff in my life again." "Thank God," wrote another, "we do not lack food, though it does not taste particularly good. But a man can eat his fill." A prisoner who was more fortunately situated than his companions in misfortune wrote: "You must know that I never eat what is put before us here, and keep a servant who was formerly a cook for messing;" and the censor who passed this letter wrote on the margin: "This man has asked for huge supplies of vegetables to be supplied to him."

The discomforts of camp life were various, insect plagues being not the least among the irritants. One German prisoner promised a correspondent to whom he wrote that he would at

the end of the war "bring home some Australian fleas, which are here in crowds;" and another poured out his lamentations because "the little mosquitos tap my blood without ceasing, and what the heat and the mosquitos have left is finally devoured by fleas, which have taken up their habitation on me in such numbers as never were."

Grievances of a romantic nature rarely emanated from the Liverpool camp, but there was one precious example which shines like Venus when her light alone penetrates the clouds on a night of gloom. In December, 1917, 26 German inhabitants of the camp who prior to their internment had been engaged in civil occupations, wrote setting forth their sad extremity. They were all, they said, "engaged to (nearly all) Australian born ladies," whom they had not seen for three weary years. "We were making every possible endeavour to be allowed meeting with our fiancées, but sorry to say our efforts did not have the slightest success, and even during the present holidays again we were not permitted to see our fiancées." When they applied for permission for the 26 ladies to come to Liverpool to meet their 26 swains, the camp authorities were not allured by the prospect of the scene, so suggestive of an operatic climax, when—to appropriate music—the maidens could have danced in R., and been met by the swains who danced in L. Instead, the unromantic officer to whom the request was referred for report, minuted the paper, "The regulations do not permit internees to be visited except by their wives and families."

But the passion that "laughs at locksmiths" was not quashed by a departmental minute. Appeal was made to the Governor-General. The Swiss consul was begged to intervene. Mr. Justice Harvey,²¹ who had inspected the camps, received a beseeching cry for aid. To the Governor-General, the countryman of Burns, who might have been expected to have a responsive soul, the baffled 26 wrote: "This represents a most serious grievance on our part. We are receiving most distressing letters from our fiancées, who are suffering the greatest hardship." It was unfortunate that the 26 fiancées did not themselves approach the administration; there is

²¹ Hon. Sir John Harvey. Judge of Supreme Court, N.S.Wales, 1913/34; Chief Judge in Equity, 1925/34; Acting Chief Justice, 1933. Of Darling Point, N.S.W.; b Hampstead, Eng., 22 Dec., 1865. Died 13 June, 1940.

nothing in the departmental documents to show that the " (nearly all) Australian born ladies " were as anxious to visit Liverpool camp as their lovers were to see them. The incident ended with the framing of a frigid departmental definition, which laid it down that " the word Family has been taken to include father, mother, brother, sister, son, daughter, son-in-law, and daughter-in-law ; it is not considered desirable to further extend this privilege of receiving visits, and therefore the application of the internees, who are engaged to be married, to be allowed to receive visits from their fiancées has not been approved." So the one romantic episode that might have graced the Liverpool camp was not brought to fruition, and 26 heavy hearts were left to sighs and dreams.

III

The German Government was occasionally misinformed as to the condition of its subjects in the Australian camps, and made enquiries into the truth of the reports. Until the entry of America into the war these enquiries were made through the United States ambassador in Berlin. In March, 1915, a question was raised in this manner as to the camp on Rottnest Island, it having been represented that many Germans advanced in years had been placed there in tents which afforded inadequate shelter from inclement weather, and that they were insufficiently fed. These reports were shown to be without foundation; the prisoners in question occupied either well-equipped houses, or canvas huts built around a wooden framework, such as were usually occupied by visitors to the island and were at this time being occupied by the guards at the camp. The United States consul at Perth was invited to inspect the camp, and he found the arrangements good. It is not probable that the German Government believed these reports, which came to hand through Java or the United States, but it was justified in making enquiries in the interest of its nationals; and in every case, these questions, forwarded by the Secretary of State for the Colonies to the Governor-General, were investigated, and correct information supplied.

A number of German prisoners were liberated on parole, and permitted to leave Australia for the United States. The form of parole signed by them was as follows: " I, A——

B—— a subject of the German Empire, being desirous of leaving Australia, hereby pledge my word of honour that during the existence of the present war between Great Britain and Germany I will not engage in any hostilities against Great Britain nor enter any service in connection with the prosecution of the war.” But the German Government itself discouraged the granting of parole to German civilians of military age, by informing the American ambassador, through whom the decision was communicated to the Australian Government (19th February, 1916) that “the giving of parole by a German civilian who is liable for foreign service but is interned in a foreign country, is to be regarded as incompatible with his military duties and will have no effect upon the fulfilment of those duties.”²² One German who managed to make his escape from an internment camp and reached the United States, sent his parole voluntarily, stating that he had no complaint to make as to the way in which he had been treated.

But others were not so scrupulous. Certain ex-prisoners who had been liberated on parole and reached San Francisco in December, 1916, supplied the newspapers of that city with sensational stories about the Australian internment camps—stories which, as printed, were certainly false and malignant. *The San Francisco Examiner* of December 12th published a lurid piece of fiction under the heading “Germans here from Hell Hole.” The place thus alliteratively designated was Liverpool. The article alleged that prisoners in this camp were “goaded to fight and then shot down in cold blood.” When they broke into rioting “the guards shot amongst the prisoners indiscriminately.” There was not a syllable of truth in these statements. Of the riot to which they were doubtless a reference, the true story, as revealed by the official papers²³ is as follows.

There was in the camp a small group of men of dangerous and criminal propensities, who were fairly described as “the sweepings of the Germans in Australia and the East.” Some of them are known to have been fugitives from justice, who were “wanted” in Germany for serious crimes. Unfortunately their antecedents were not known when they were put into

²² Governor-General's Official Papers, Canberra.

²³ Including a detailed narrative of the facts by the coroner who enquired into the death of a prisoner who was killed

the camp with the hundreds of decent Germans who, but for the misfortunes attendant upon war, were blameless men. Their proper place of incarceration would have been a common gaol. This little gang was a constant source of trouble. Its members committed brutal assaults on fellow prisoners. Men went into hospital suffering from broken arms, fractured skulls, broken ribs and battered faces, the results of violent acts of "the Black Hand," as the members of the gang called themselves. By intimidation they caused their friends to be elected to the camp committee. They systematically blackmailed the other prisoners, demanding from them money, cigarettes, cigars, and any property that took their fancy. Their methods of terrorism held the camp to ransom. But at last a particularly brutal and cowardly assault provoked a rebellion against their tyranny. On 19th April, 1916, four members of the Black Hand set upon a man named Hildebrand. By this time indignation in the camp against the domination of the blackmailers had reached boiling point, and this particularly ruffianly assault brought matters to a crisis. Hundreds of internees armed themselves with pieces of wood, knives, tools, anything that would serve as a weapon, and a concerted attack was made upon the gang. They were hunted round the camp and overcome by sheer weight of numbers. When they had been mercilessly clubbed, they were seized and hurled over a 7-foot picket fence.

Then the infuriated crowd turned upon the camp committee, the creatures of the Black Hand, who were accused of conniving at malpractices, and they were thrown out of the compound. One of the men, Hans Portman, was injured mortally, and five others badly. The coroner found that Portman "died in hospital from injuries inflicted upon him by persons unknown." It is not true that the guard fired upon the rioters. The camp commandant, in fact, restrained the guard from firing to quell the disturbance, because if they had done so the result would simply have been a general massacre. The officers were well aware of the blackmailing perpetrated by the Black Hand, but regarded the offence as one for remedy by internal discipline. After the riot, those who had been the cause of it were placed for their own protection in the penal compound known as "Sing Sing," most

of them badly bruised; and it was reported that "a great weight has been taken off the mind of the internees by the removal of this gang."

Sing Sing was a compound separated from the large Liverpool camp, and was used as a place of discipline for offenders against camp rules. The occupation of a place within it entailed the loss of certain privileges, and also a loss of caste, for there were standards of conduct in Liverpool camp. From this compound seven prisoners, in July, 1916, made their escape by an audacious and laborious feat. They dug a tunnel 40 feet long with a diameter of 18 inches. The entrance to this passage was concealed by a trap door covered by boards and a mattress in a tent. They had to remove between 8 and 10 tons of earth and rock, and they had only a few ordinary garden tools with which to work. They could not, of course, use explosives upon the rock. The exit from the tunnel was near to the quarters of some officers. It seems almost incredible that they should have been able to avoid detection while they were scraping out this excavation and disposing of the débris. But they succeeded, and the seven got way. Only one made good his escape. By some means—the adventure must surely have been heroic in enterprise and exciting in its incidents—he managed to reach a port where he hid himself on a ship which conveyed him to Java. A second managed to reach Adelaide, where he was detected and rearrested. The five others were captured in New South Wales. Four of the seven were sailors.

There were two cases of prisoners being shot at Liverpool, and both fatalities were consequent upon attempts to escape. The men were Max Arndt and Paul Armbruster. Arndt was a sailor who had been a member of the crew of the *Markommania*—the supply ship of the German cruiser *Emden*. He and some of his companions seem to have come to the conclusion that the sentries on duty at the camp would not shoot, no matter what the prisoners did. On 26th July, 1915, Arndt attempted to escape, was ordered back by the sentry, and refused to obey. The sentry thereupon fired and killed him. A coroner's inquest was held, and the soldier was declared free from blame in carrying out his military duty. A fellow prisoner, commenting upon Arndt's death in

a letter, wrote: "There are always some dam fools in this camp of ours will interfere with the guards outside on duty. Consequently a man has lost his life, but it will teach them a lesson in future to behave and not to forget we are prisoners-of-war. Everything is now going on smoothly again." Armbruster on the night of the 30th of April, 1916, attempted to crawl through the barbed-wire entanglements of the compound, and was shot by a sentry. The coroner found that he died from a bullet wound inflicted by the sentry "in the legal exercise of his particular duty." At Langwarrin, in 1915, a prisoner in his hut was killed by a bullet fired lawfully by a sentry at another man (whom it wounded). The coroner held that the innocent man had been killed "by misadventure."

Another death was that of a prisoner named Hermann Alfred Fischer, who on the 1st of December, 1917, endeavoured to escape while travelling by train in custody from Orange to Liverpool. When the train was nearing Medlow, Fischer jumped from the carriage and was killed. He had previously escaped from the Liverpool camp, had been recaptured at Orange, and was in charge of a police constable when he made his fatal leap. In this case also an inquest was held, at Katoomba on December 5th.

For the protection of the prisoners, and to give them opportunities of stating their grievances, Mr. Justice Street²⁴ of the Supreme Court of New South Wales acted, at the request of the Federal Government, as official visitor. Any internee was at liberty to see the judge, who was empowered to investigate complaints and call for explanations. Mr. Justice Ferguson²⁵ succeeded his colleague as visitor, and at a later period the duty was accepted by Mr. Adrian Knox,²⁶ who shortly after the close of the war was to be elevated to the highest judicial office in the Commonwealth, that of Chief Justice of Australia. These appointments of men of eminent

²⁴ Hon. Sir Philip Street, K.C.M.G. Judge of Supreme Court, N.S.Wales, 1907/33; Chief Judge in Equity, 1918/24; Chief Justice, 1925/33; Lieutenant-Governor since 1930. Of Elizabeth Bay, N.S.W.; b. Darlington, N.S.W., 9 Aug., 1863. Died 11 Sept., 1938.

²⁵ Hon. Sir David Ferguson. Judge of Supreme Court, N.S.Wales, 1912/32; Acting Chief Justice, 1929/30, Chairman, Returned Soldiers' Amelioration Committee, N.S.Wales, 1915/19; Member of Aust. War Memorial Board, since 1923. Of Sydney; b. Muswellbrook, N.S.W., 7 Oct., 1861.

²⁶ Rt. Hon. Sir Adrian Knox, K.C.M.G. M.L.A., N.S.Wales, 1894/98; Red Cross Commissioner with A.I.F., 1915; Chief Justice of High Court of Australia, 1919/30. Of Sydney; b. Sydney, 29 Nov., 1863. Died, 27 April, 1932.

impartiality and generous temperament were made with the express purpose of alleviating as far as could be done the conditions of camp life and soothing those vexations which sprang from it; for as one of the officers on duty at Liverpool reported, "It is very difficult to fulfil the wishes of each individual."

The stories which reached the German Government of the treatment to which the prisoners-of-war in Australia were subjected, were generally of a false or exaggerated nature. No blame is attributable to that government for asking for explanations; it acted commendably in endeavouring to protect its subjects from any violation of the usages of warfare. But Germany was misled by mendacious reports. Thus, on the 20th of June, 1915, the German Government protested through the United States ambassador against the prisoners from Singapore being sent to work "in Queensland coal mines" (*sic!*) against their wish. Again (June 29th), the German Government stated that it had been reported that the prisoners were not provided with beds, tables, or chairs, and that "all the prisoners with the exception of officers" were "employed in forced labour such as bush-clearing, tree-felling and so forth." A third time (July 3rd) the German Government urged that prisoners-of-war should not be "sent to work in the mines against their will." There was never any question of the prisoners being sent to work in mines. But many of them were without money, and it was desired to give them an opportunity—if they desired and accepted it—of earning a few shillings with which they could buy simple luxuries for themselves.

It should be understood that some of the Germans in the camp were, by the laws of war, liable to be called on to do certain work, if the authorities chose to demand it of them. Those of the internees who were prisoners-of-war in the technical sense—that is, interned soldiers or sailors—could legitimately be set to work, if there was employment available. But there were not many internees of that class in Australia. The great majority of those in the camps were interned civilians who, strictly speaking, should not be employed in manual labour unless they volunteer for it. At Liverpool, however, where the great majority of the internees were eager for such

work—both for the sake of their health and for the pocket money which it produced—it was for a time made compulsory for all fit members of the camp.

The instructions issued by the Minister as to the treatment of internees were that the officers responsible for the management of the camps should mete out to them the consideration that would be expected from a civilised government if the conditions were reversed; and they were particularly warned not to allow themselves to be influenced by what they might read about bad treatment to British subjects in German internment camps. Nothing in the nature of reprisals was to be permitted. It was not for an officer to initiate policy; that would have to be ordered by those in supreme authority, if at all. But no such policy ever was contemplated, and it is apparent, from the abundant documentary material available, that both the Commonwealth military authorities and the officers who carried out their orders endeavoured to make the lot of the prisoners as comfortable as possible. The direction affecting work by prisoners-of-war provided that:

Where prisoners of war are interned in a manœuvre area, and it is found practicable to utilise their services for carrying out improvements in that area, they may be paid at the rate of 1s. for each day's work actually done, as pocket-money.²⁷

A separate regulation, affecting work which might be done by interned civilians, laid down that the punishment for improper work should be dismissal from the working party:²⁸

Voluntary work will be provided for a limited number of the prisoners. The period of work for any prisoner will as a rule be not more than a fortnight at a time. Work will be for four hours daily, and each prisoner employed will be required to work honestly for such time. Any prisoner found loafing, after being warned will be instantly dismissed and pay for the day will be stopped.

Any prisoner who has been allotted work and who does not attend at the working parade, unless he possesses an exemption card from the medical officer will be instantly dismissed and all pay due to him will be stopped.

Prisoners will not be allowed to choose their tasks, but each must work at the task set to him. The Commandant will however endeavour as far as possible to utilise the services of prisoners in their own trades or callings.

Pay for voluntary work except in special cases will be at the rate of 1s. per day of 4 hours.

²⁷ Paragraph 12 (a) of "Instructions relative to the internment and treatment of aliens," first issued 1914; reprinted several times; and also issued as a *Parliamentary Paper, Session 1914-17, Vol. V, 1411*.

²⁸ Clauses 85-88 of "Rules for the custody of and maintenance of discipline among prisoners of war," 1916.

To enable an independent investigation to be made, and complaints to be voiced, the Minister for Defence invited the United States Consul-General in Sydney, Mr. Brittain,²⁹ or any member of his staff, to visit any of the camps then existing, and undertook that any report which he might make should be transmitted, through proper intermediaries, to the German Government. It was expressly stipulated that he was to be allowed to converse with prisoners on the subject of their treatment "out of the hearing of the camp staff." Mr. Brittain accepted the task, and made his first inspection of the Liverpool camp in May, 1915, when he was accompanied by the American Vice-Consul, Mr. Richardson.³⁰ He reported (May 6th) that he had been given the freedom of the camp by the District Commandant, Colonel Wallack,³¹ and the Camp Commandant, Major Sands. The Consul-General's report gave detailed descriptions of his visits to the kitchens, sleeping quarters, and other appointments of the camp. He found that prisoners were provided with comfortable quarters and were given serviceable clothing if they required it. There had been some complaints about the cold at night, but arrangements had been made to issue four blankets to each internee, which would be sufficient.

"The principal complaints made by the men interviewed," wrote Mr. Brittain, "have to do with the arrangements whereby no distinction is made between the several social classes represented. There are sailors and shipmasters, well-to-do merchants, firemen, engineers, and men of various other trades and professions, who live on practically the same footing, with the exception of the officials of the late German New Guinea Government. The latter are receiving half the pay of their former official position. By way of employment the men are engaged in clearing land and work for about four

²⁹ Mr. Joseph I. Brittain. United States Consular Service, 1897/1924; Consul-General in Australia, 1915/20. Of Washington; b. Beaur, Pennsylvania, 2 Nov., 1860. Died, 22 Oct., 1930.

³⁰ Mr. E. Verne Richardson. Deputy Consul-General for U.S.A. in Australia, 1910/16. Of Massachusetts; b. Newberry Port, Mass., 4 March, 1868. Died, 27 June, 1929.

³¹ Major-Gen E. T. Wallack, C.B., C.M.G. Adjutant-General, Australia, 1908/11; Commandant, 3rd Military District, 1911/12, 2nd M.D., 1912/15; A.I.F. Transport Service, 1915/17. Officer of Aust. Permanent Forces; of Melbourne and Sydney; b. Great Yarmouth, Eng., 9 Aug., 1857. Died, 12 Feb., 1932.

hours a day, for which they receive one shilling. There is a feeling amongst many of them that it is beneath their dignity to do this work, and several expressed to me the opinion that they would rather forgo the shilling than do the work. Others objected to the practice of being supervised at their work by young troopers, sergeants, corporals, &c., and think that it would be more in keeping with propriety to have a commissioned officer in charge. I also interviewed one man who stated that he had been harshly dealt with in a difference of opinion with a representative of the commandant in which he had received a flesh wound. I also made a special investigation of this case, and later in the afternoon was assured by Colonel Wallack that a full enquiry was being instituted with a view of determining whether or no any undue harshness had been meted out. Major Sands informed me that this man had since his confinement been much averse to discipline and disposed to make trouble whenever possible. In the main, however, the men seemed to be in the best of health, and it is significant that since the establishment of the camp there has been no case of serious illness, and no death."

The American Consul-General and the Vice-Consul, Mr. Eli Taylor,³² made periodical visits to the camps in New South Wales. After an inspection in 1916, Mr. Brittain furnished a report on May 20th of that year. On this occasion he noted that, since the establishment of the Liverpool camp, there had been but 6 deaths, including the two Germans who were killed while attempting to escape.³³ The four others died from diseases which they had contracted before admission to the camp. The prisoners received good medical and dental attention. He found that 21 prisoners were living in a special compound known as Sing Sing, which was reserved for those who attempted to escape or who had violated camp rules. No complaints were made as to the quantity or quality of food supplied, except that some prisoners complained they would like a diet containing more green vegetables. The most general complaint was on account of the dust. The grass had worn away till nothing but hard earth remained in the compound, and when there was a wind the prisoners complained that the

³² Mr. E. Taylor Vice-Consul for U.S.A. in Sydney, 1916/19. B. New York City, 2 May, 1873.

³³ Apparently this number does not include Portman.

dust was very annoying. The paths were sprinkled at intervals, but owing to the nature of the soil the water soon dried. About a thousand men were given employment, by which they could earn a minimum of a shilling per day; handicraftsmen could earn 4s. per day, and cooks and canteen hands were paid at special rates. There were three theatres in the camp, a picture show, two tennis courts, a football ground, an orchestra and three pianos. Since his last visit the organisation of the camp had been improved, and more had been done to provide for the comfort and amusement of the prisoners. The dust, it should also be said, was no worse at Liverpool than at the camps for the training of Australian troops for active service.

A frequent complaint made by those prisoners who had been brought from abroad to Australia was that their luggage had been lost. There may have been losses of this kind *en route* from Singapore, Ceylon, or Hong Kong, but investigation by officers of the department showed that in many instances attempts were made to impose upon the Commonwealth Government by claims for articles which were never in the luggage of prisoners. There were even claims for valuable diamonds, which it was most unlikely that the claimants ever possessed. But every case was investigated, and endeavours were made to trace articles alleged to have been lost.

Commenting generally on the condition of the camps, the American Consul-General wrote: "The evident desire of the officers commanding the concentration camps in New South Wales is to make the prisoners' lot as pleasant as is reasonably possible in the circumstances. It is to be noted that the guards at the camp are housed and generally provided for on a scale corresponding exactly with that which governs the prisoners themselves." Of Berrima the same visitor reported that "the men appeared to be generally satisfied with the conditions, and spoke very highly of Lieutenant Dibbs³⁴ and his management of the camp, but were disposed to criticise the management of a previous commander."³⁵

³⁴ Capt. O. B. Dibbs, 45th Bn., A.I.F. Stock broker; of North Sydney; b. North Sydney, 22 Dec., 1888. Killed in action, in France, 1 April, 1918.

³⁵ The United States Consul-General's report was made to his Government at Washington, with the intention that it should be forwarded to the Ambassador at Berlin; but a copy of it was forwarded to the Governor-General, and is amongst his official papers at Canberra.

After the United States became a participant in the war on the side of the Allies, visits to the camps were made by the consuls of other neutral nations. Orders had already been given (June, 1916) that all prisoners-of-war were to be at liberty to write to the consuls of neutral states "with reference to matters regarding the administration of internment or the affairs of immediate interest to the writers," and all such letters were exempt from censorship. The Swedish Consul-General in Sydney, who now took charge of Austrian interests, visited the Liverpool camp in 1918, at the instance of the Swedish minister in London. It had been reported to the Austrian Government that internees were "subjected to great suffering from want of food and clothing, even to the extent that cases of insanity and suicide" were occurring. The consul-general's enquiries showed that these reports were pure inventions. The food conditions were according to specification. The main trouble was that long internment caused irritation and quarrelling, which, as between the Austrians and Germans, became so acute that they had had to be separated by being placed in different compounds. The Swiss consul also (May, 1917) expressed the conviction, as the result of an inspection, that "the camp is a very healthy one" and the treatment in the hospital was satisfactory. He found the sanitary arrangements good. Such complaints as were made were, the consul reported, "generally of only a minor nature," with the exception of those from internees who desired to be repatriated and those who, after living in the tropics, desired warmer clothing than they possessed.³⁶

An unfortunate result of the untruthful statements made concerning the internment camps by some ex-prisoners who had been permitted to leave Australia, was that the Commonwealth Government became more reluctant to grant permission to leave the country. It is true that the authorities never refused any application for enquiry as to whether there were good reasons to allow an internee to leave Australia, and that up till 1917 permission for release in such cases was freely accorded. But, either through bitterness of feeling or a proneness to mendacity, some of those who had been thus

³⁶ These reports also were furnished by the consuls to their respective governments, and copies were by courtesy forwarded to the Governor-General.

favoured used their liberty, when they reached neutral countries or arrived in Germany, to circulate false statements, and these reacted to the disadvantage of those remaining in the camps; the authorities became more particular in demanding good cause to be shown as to why applicants should be liberated. It was also found that the latitude allowed to voluntary internees in the matter of leaving camp and returning was abused, and consequently it had to be restricted. But the Commonwealth Government expressed a special willingness to facilitate the repatriation of the officers and crew of the *Emden*.

Of the 6,739 men, 67 women, and 84 children interned in Australia during the war, 58 escaped; 201 men and one woman died during internment, 104 of these deaths being due to pneumonic influenza; 46 Austrian Slavs or Czechs were transferred to the Jugo-Slavian forces in Serbia; and either during or at the end of the war 1124 were liberated.⁸⁷ But in the state of public feeling that existed at the end of the war and for some time afterwards, the peaceful reabsorption of a large number of hostile Germans and Austrians into the general population was obviously impossible, and any attempt to carry it out would have led to trouble for both sides. Accordingly 5,276, the large majority of them previously residents in Australia, were sent back, chiefly to Germany, in nine special ships which sailed at various dates between May, 1919, and June, 1920.

The cost of internment to the Commonwealth was £1,335,084. By an amendment of the Immigration Act in 1920 Germans, Austro-Germans, Bulgarians, Hungarians, and Turks were prohibited for five years—and thereafter until the Government determined—from entering Australia. The prohibition was lifted from these nationals, except Turks, by proclamation in December, 1925, and from Turks in January, 1930.

IV

The Trading with the Enemy Act, passed by the Commonwealth Parliament, came into force on the 23rd of October, 1914. It was the first of three acts passed for the purpose of making effective the prohibition of trading with the enemy,

⁸⁷ Fifty also became insane, of whom, by 1919, 13 had been discharged, 18 sent home, and 5 died.

which had been forbidden by proclamations published in *The Commonwealth Gazette* on August 7th, September 12th, and October 12th. Enemy trading was an offence under the common law, irrespective of any express prohibition, but it was considered necessary to pass this legislation in order to strengthen the hands of the Government by giving power to punish by fine or imprisonment, to confiscate goods, to search premises and to inspect books or documents.

A second act (November 26th) defined an "enemy subject" as "any person, firm or company, the business whereof is managed or controlled directly or indirectly by or under the influence of enemy subjects or is carried on wholly or mainly for the benefit or on behalf of enemy subjects, notwithstanding that the firm or company may be registered or incorporated within the King's dominions." The amendment was required, in the opinion of the Prime Minister, because there were in Australia "companies which masquerade under the guise of Australian companies, but are controlled very largely by enemy subjects, existing and carrying on their operations for the benefit of enemy subjects." The third Trading with the Enemy Act (30th May, 1916), provided for the control of enemy property and for the appointment of a trustee to act as custodian of it. The kind of property particularly contemplated consisted of dividends, bonuses, interest due in respect of loans, and shares of profits. The offence of trading with the enemy was also enlarged in scope by being made to include attempts or offers or proposals to trade with the enemy. Power was given to the Minister for Trade and Customs to wind up any business if he was satisfied that it was carried on wholly or mainly for the benefit of enemy subjects. These three acts were passed without any opposition in either House of the Commonwealth Parliament, and with only a few technical criticisms of details.

Co-operation between the Censorship, the Attorney-General's Department, and the Department of Trade and Customs was requisite for the prevention of enemy trading. The vigilant examination of mails and telegrams, and the compilation of lists of traders who had commercial connections with German and Austrian business houses, enabled this function to be performed with much success. But the

ramifications of German commerce were far flung and well rooted. It was easy enough to close up firms which were ostensibly German, but much more difficult to trace clandestine communications. Many firms in neutral countries were ready to lend their assistance to enable trade to be continued through their conduit pipes. Goods which professed to be the production of neutrals were often in reality of German manufacture. Scandinavian, Dutch, and even American merchants acted as agents for German houses with which they had close business relations, and through them it was sought to sell enemy products in Australia. An Australian importer might honestly believe that he was dealing in neutral goods, or he might have a suspicion of their origin and decide to run the risk. There probably was much illicit trading of this character in the early months of the war, but as the authorities gathered additional information, and added to the "Black Lists," the narrowing of the mesh made it difficult and dangerous to pursue profit by such means.

Nevertheless some firms did persist in their attempt to defeat the Government, as shown by the fact that by the middle of June, 1917, there had been 44 prosecutions for trading with the enemy and that 38 convictions had been obtained. In a number of other instances letters which indicated attempts at enemy trading were returned to senders with the intimation that the business sought was not permissible; and if such a warning was not always sufficient to deter a person who may have offended in ignorance, the fact that his correspondence was being watched made it reasonably certain that he would not succeed. There was a list containing over 500 names of "intermediaries" in neutral countries who had business connections on behalf of enemy firms with persons in Australia, and an Australian list of more than 1,500 persons who had been concerned in this illegal trade. Prosecutions continued to be launched down to the last weeks of the war. Very heavy fines were in some instances imposed; indeed, the punishments upon conviction were so exemplary, that the risk would have been too great to be undertaken, had it not been that the profits from the illegal business were large enough in many instances to enable the fines to be paid and still leave a margin of financial advantage. The largest fine, £10,000 was paid by

an individual at the termination of litigation which extended over more than a year, involved several trials and appeals on points of law, and engaged the services of some of the most richly-feed counsel in the Commonwealth.

V

At the time of the outbreak of the war, the German Government was represented in Australia by a consul-general, Herr Kiliani,⁸⁸ and the Austro-Hungarian Government also by a consul-general, Dr. Freyesleben.⁸⁹ Herr Kiliani was very well-known in Sydney as a genial, sociable, and well-informed man, of good presence and graceful manners, a fluent public speaker and capable man of business. He had made many friends in official, commercial, and social circles, and was generally popular. Dr. Freyesleben was not so widely known. Both the consul-generals informed the Commonwealth Government (10th August, 1914) that they had placed the interests of their respective countries under the protection of the United States of America and had handed over the archives of their consulates to the American Consul-General, who had consented to act on their behalf. Mr. W. de Haas, commercial expert of the German Consulate-General, was at the same time placed at the service of the American Consul-General in an advisory capacity. The consular emblems were taken down from the offices, and Kiliani and Freyesleben intimated that they desired to leave Australia with their families by the next vessel for the United States. They were not prevented.

The United States Government, however, raised an objection to foreign consular officers being placed in the American Consulate; and the Governor-General was informed (December 17th) that no former officers of the German or Austro-Hungarian consulates were at that date attached to the American consulate. They had been discharged "in accordance with instructions received from Washington on October 11th."

In 1915 the Prime Minister enquired from the British Foreign Office whether neutral consuls who had custody of

⁸⁸ Herr R. Kiliani. Consul-General for Germany in Australia, 1911/14; b. 1861.

⁸⁹ Dr. F. Freyesleben. Consul-General for Austria-Hungary in Australia, 1913/14; of Prague; b. Prague, 29 March, 1864.

the records of enemy consulates might be required to allow them to be inspected. He was informed that the archives of an enemy consulate placed in the custody of a neutral consul were to be regarded as inviolable. But if there was good reason for believing that an enemy consul had, under cover of his exequatur, been acting as a spy, and had left compromising documents for safe keeping among his archives, that would be an exceptional case, to be treated exceptionally, because the consul would in that case have been using his privilege to conceal papers which were not public archives. After the United States entered the war, the Swiss consul in Sydney took charge of the German archives, and the consul for Sweden of the Austro-Hungarian. They were transferred intact to these representatives of neutral states.

The German honorary vice-consul at Newcastle was Herr Otto Johannsen, and he was interned for enemy trading. Some time before the commencement of the war, he had made some large purchases of coal for shipping to Valparaiso, in which transactions he was financed by a Hamburg firm. On August 5th one of Johannsen's cargoes had been loaded on the Norwegian barque *Ferm*. But his cheque for the coal was dishonoured, and the port authorities prevented the ship from putting to sea. The master was ordered to unship his cargo, which he accordingly did; and the *Ferm* was not granted clearance from Newcastle till August 22nd, when she sailed for Valparaiso. Immediately prior to the declaration of war, several German ships had been hastily cleared by Johannsen. This fact, together with the known presence of a German squadron in the Pacific, prompted the belief that the purchases of coal were intended for purposes of naval warfare.

VI

Were there instances of German spying in Australia? A spy, in the military acceptation of the word, is defined in the Oxford Dictionary as "a person employed in time of war to obtain secret information regarding the enemy." In this strict sense, it is not known that there were any German or Austrian spies in Australia, notwithstanding the prevalence of rumours to the contrary effect. No information is available

to show that enemy governments "employed" any persons to obtain secret information. But there were Germans who endeavoured to obtain secret information, which would have been transmitted to the German Government had the attempt not been detected and stopped. One of the German scientists who was in Australia in connection with the meeting of the British Association in 1914, was found, after his internment, to have neatly placed a paper containing information about the surrender of German New Guinea, inside his socks; and his dignified assurance that he did not know how it got there was not received with credence. A letter written by a German was brought to the notice of the censor, wherein the writer acknowledged that "we Germans would help all we could and had plenty of guns and ammunition planted if the German Government could send out warships"; but the character of the individual was not such as to carry weight, and the comment of a responsible intelligence officer upon his letter was that "it was mainly interesting as showing the views of a man born here of German blood who desired German rule as against British rule." The boast that "plenty of guns and ammunition were planted" was, too, mendacious.

In June, 1916, it was reported by missionaries and by the magistrate at Wyndham that the wild blacks of the north-west coast spoke of having seen in April "funny fellow dingy" which "had a house on it and went down beneath the water and came up a long way off." As the description strongly suggested a submarine, and on this wild and lonely coast there were two foreign mission stations—Spanish at Drysdale River and German at Beagle Bay—the cruiser *Encounter*, with two schooners and a lugger, locally hired, was at once sent to investigate. At the end of June Commander Burrows⁴⁰ was detached to examine the German mission and found it in a flourishing condition, tending 250 aborigines, mostly children. Burrows could find no reason to suspect anyone. In Napier Broome Bay the *Encounter* discovered four Spanish missionaries.⁴¹

⁴⁰ Commr. W. Burrows, R.N. Commanded H.M.A.S. *Yarra*, Sept. 1918-Jan. 1919; *Swan*, and destroyer flotilla, March 1919-Jan. 1920. B Crediton, Devon, Eng., 24 July, 1883.

⁴¹ From the larger station at New Norcia.

These people (reported Captain Cumberlege⁴²) are simply engaged in keeping body and soul together by the cultivation of a small but well kept vegetable garden. They are visited once a year by a lugger with provisions, and their sole efforts in mission work seem to be the welfare of five little half-caste boys . . . sent there . . . by the Government. The good monks are utterly unable to approach the local natives. . . . They are unable to leave the immediate neighbourhood of the station unless armed with firearms, even to go a few hundred yards.

Cumberlege found no ground whatever for suspecting any visits by a German submarine, however favourable the region, and merely advised, as a precaution, the internment of one German missionary with Dutch naturalisation papers, who appeared to be free to come and go as he liked at Beagle Bay.

When the steamer *Cumberland* was sunk in July, 1917, off the Victorian coast, and the *Port Kembla* two months later in New Zealand waters, the belief became general that spies were supplying the information which led to these occurrences. The *Sydney Sun* offered a reward of £1,000 to the person or persons who gave information leading to the detection of the conspiracy which it was assumed had been hatched, and "the conviction and punishment of the chief criminals." It was soon afterwards proved that the *Cumberland* ran against a mine laid by the German raider *Wolf*, and the loss of the *Port Kembla* was traced to the same cause, but the general suspicions were not to any marked extent dispelled. Several persons were carefully watched. One, a woman who arrived in Australia from the United States without satisfactory papers, "smiled herself past" the authorities in Sydney—the phrase is official—and obtained a passport which enabled her to go to India. After she had left, doubts arose, and the Indian Government was notified of them, with the result that the potent smiler was placed where she could do no harm.

But these and other suspicions were not resolved, upon investigation, into positive evidence of spying. The striking fact that no ships, wharves, or buildings were blown up, burnt, or destroyed within the Commonwealth during the war in circumstances indicating enemy activity—as distinguished from the revolutionary activity of the I.W.W., to be discussed in another relation—is sufficient to prove that any enemy subjects

⁴² Rear-Admiral C. L. Cumberlege, R.N. Commanded H.M.A.S. *Warrego*, and destroyer flotilla, 1913/15, *Encounter*, 1916; *Brisbane*, 1916/19. B. London, 9 June, 1877.

in Australia who may have wished to further the war aims of their fatherland were too carefully shepherded to enable them to wreak serious harm. In the United States and Canada there were many instances of the blowing up of factories, the bombing and burning of ships, and the attempted destruction of public buildings—notably the burning of the Parliament House at Ottawa. From outrages of this kind Australia was free. The efficiency of the intelligence section of the Defence Department, aided by the vigilance of the censorship, saved the country from such activities by the enemy within the gates. If there had been real spying, it is hardly likely that the officers whose business it was to detect it would have failed to find instances. They certainly made an exhaustive study of the methods of spies in other countries, as there are files in the department to show. We may therefore with some confidence accept the verdict of an official intelligence report, that “in the main it may be taken that spies in the ordinary accepted sense of the term were not identified here.”

VII

The regulations made under the War Precautions Act covered an extensive range of offences, and were productive of no fewer than 3,442 prosecutions. These were in nearly all cases launched either by the Commonwealth Attorney-General or by the commandants of the military districts in which the offences were committed. The penalties ranged from cautionary fines of a few shillings to very substantial punitive fines of £50 or £100, or terms of imprisonment of three or six months. An analysis of the cases⁴³ discloses the following charges in respect of which most of the convictions were secured; indeed, the instances in which the courts did not think the evidence sufficient to justify conviction were singularly few, though the High Court quashed three convictions on appeal, and penalties were in some cases remitted in accordance with an undertaking given at the Governor-General's conference, considered elsewhere in this book:

1. Failure to close premises for sale of intoxicating liquor when ordered to do so by a competent military authority (225 cases).

2. Selling or offering for sale commodities at a price in excess of the maximum fixed by Regulation (216 cases).

⁴³ Papers in Attorney-General's Department, Canberra.

3. Obstructing an officer in the course of inspecting books of firms.
4. Entering upon an enclosed wharf without permission.
5. Failure to maintain a sufficient guard on the gangway of ships.
6. Interfering with sentries.
7. Failure to obey orders with regard to the navigation of ships.
8. Coming in a drunken state on board vessels under the control of the Navy.
9. Being absent without leave from vessels under the control of the Navy.
10. Falsely representing to be returned soldiers.
11. Wearing returned soldiers' badges without title to them.
12. Misleading a military officer.
13. Being in possession of a forged military discharge certificate.
14. Wearing a soldier's uniform without right to do so.
15. Being in possession of official documents.
16. Failing to register as an alien (about 650 cases).
17. Selling badges without authority.
18. Selling uniforms without authority.
19. Making unauthorized use of military and naval uniforms.
20. Offences in regard to passes, certificates, &c.
21. Exhibiting the red flag (37 cases).
22. Evasion of censorship of letters for enemy countries.
23. Attempting to transmit letters from the Commonwealth otherwise than through the post.
24. Accepting assignment of allotment certificates from female dependants of soldiers.
25. Breaches of active service moratorium regulations.
26. Using, for purposes of trade, names other than those by which the accused were known at the date of the commencement of the war.
27. Being in unauthorized possession of wireless apparatus.
28. Using a code for secretly communicating naval information.
29. Disclosing information with regard to the movements of ships.
30. Using the word "Anzac" without permission for purposes of trade.
31. Selling goods issued by the Red Cross Society.
32. Collecting for patriotic purposes without authority.
33. Failure to furnish information required by a competent authority.
34. Short delivery of coke to Navy Department.
35. Advocating action calculated to prevent the production of warlike material for purposes connected with the war.
36. Making statements prejudicial to recruiting (about 150 of such cases).
37. Remitting money from the Commonwealth to an enemy subject without permission.
38. Tearing down recruiting posters.
39. Breaches of regulations imposing restrictions on the use of coal, gas, and electricity.

40. Exhibiting disloyalty or hostility to the British Empire
41. Making statements likely to cause disaffection to His Majesty.
42. Inciting to mutiny.
43. Publishing information which might be of use to the enemy.
44. Spreading reports likely to cause alarm.
45. Spreading a false rumour that a transport with Australian troops on board had been torpedoed.
46. Publishing and printing matter which had not been previously submitted to the Censor.
47. Printing matter in such a way as to suggest that the omissions indicated had been due to the action of the Censor.
48. Attempting to cause sedition or disaffection among the civil population.
49. Having in possession prohibited publications.
50. Making false statements likely to prejudice the judgment of voters in connection with military service referendum (these prosecutions were launched by the district military commandants).
51. Making statements likely to prejudice relations with foreign powers.
52. Disturbing referendum meetings.
53. Taking part in a meeting of a number of persons exceeding 20 in the open air in a proclaimed place on the pretext of making known their grievances (the convictions in these cases were quashed by the High Court).
54. Interfering with the military police.
55. Landing in the Commonwealth without a passport.
56. Deserting from ships.
57. Attempting to leave the Commonwealth without permission.
58. Concealing a deserter.
59. Harboursing an escaped prisoner-of-war.
60. Failure to move from the vicinity of certain forts, camps, &c. when ordered to do so.
61. Entering a prohibited area.
62. Failure to keep a register of aliens staying at hotels, boarding houses, &c.
63. Giving false information concerning nationality.
64. Failing to comply with regulations as to the registration of children over 16 years of age who were not natural British subjects.
65. Failing to notify change of address (about 750 cases).
66. Failing to report at new place of abode (about 250 cases)
67. Failing to produce documents or answer questions when ordered.
68. Travelling without passport or permit.
69. Making false statements in order to obtain an official pass.
70. Altering an official document.
71. Being in unauthorised possession of firearms.
72. Being in possession of "certain articles without permission."
73. Publishing advertisements relating to referendum and intended to affect the result thereof, without having the name and address of the person authorising them printed at the end thereof.

74. Showing, in printed matter, alterations made by the Censor.
75. Trespassing on railways.
76. Distraining on property and raising rent on female dependants of soldiers.
77. Obstructing an officer.
78. Refusing to supply a foodstuff in the quantity demanded on tender of payment at fixed price.
79. Addressing a public meeting after being ordered to refrain from doing so.
80. Harboursing an unnaturalised German.
81. Wrongfully dyeing military overcoats.

An examination of the names of the defendants in these 3,474 cases shows that those of foreign origin predominated, and there were also many names of unmistakably Irish origin. The cases of disloyalty and of the use of language prejudicial to voluntary recruiting showed that persons hostile to the cause to which the Commonwealth was pledged existed within the Commonwealth, although their vociferation gave them more prominence than their numbers deserved. A man who said in a public speech, "I would sooner live under the German flag than under the British," and another who proclaimed that he "would be just as well off under German rule as under British rule," were fined respectively £20 and £10. The difference in the offence is not apparent; both were examples of the spirit of resistance which no government could afford to tolerate in time of war. Direct incitements to abstain from joining the military forces were exhibited in such public utterances as the following:

1. "Any man who puts on a uniform is a fool. A German has as much right to live in this country as an Australian."
2. "Do not enlist to fight for a man like 'Billy' Hughes. He owes me a quid. I am a German and proud of it."
3. "Poor fools are going to the war because they have no sense."
4. "England is decaying. She wants Australia to go. Australians are fools to go."
5. "These men in khaki are hired assassins and murderers. They are only a pack of mugs who put on khaki."
6. "Our men are nothing but murderers and baby killers."

There were, on the other hand, some public utterances, which, though their tendency was undoubtedly in the direction of discouraging recruiting, were nevertheless the expression of a definite philosophy of politics, which in normal times

might be challenged by good arguments, but would not under the laws of a free country be regarded as seditious. Addressed to public assemblies in war time, they were near the borderline, and their inimical tendency could not be ignored. But magistrates were loath to convict where there was apparently an honest intent, and the Government was not eager to secure convictions in such instances, though a prosecution might serve as a warning. An example may be cited—an Adelaide case—where the person prosecuted had said: "War has always been waged for the economic domination of a certain clique, and all they are fighting for is the right to share in the profits, appropriated away from the workers." A charge founded upon this utterance was not proceeded with; and there were several similar instances.

The eruption of cases of persons who insisted upon waving or displaying a red flag in defiance of an official prohibition was a curious phenomenon towards the close of the war. The red flag had for several years been flown by the Socialist party, and as an emblem of a phase of political thought, had been legally unobjectionable. But during the later months of the war it was adopted by some whose object was professedly anti-British or revolutionary propaganda. There was no specific war precautions regulation which forbade the red flag, but there was a general regulation (27B) aimed at disloyal flags, banners, badges, symbols, and emblems. The red flag came under the ban because it was used to cover propaganda prejudicial to recruiting, and 37 prosecutions were launched for this reason. The most persistent offender was a Victorian poet. Five convictions with consequent fines did not damp his ardour, nor did imprisonment mitigate his zeal. After each prosecution he again defiantly waved the red flag. The matter became a little ridiculous. The poet was finally liberated on the Governor-General's warrant; and, when he was able to wave as many flags as he pleased, he ceased to wave any.

There were also 89 prosecutions under the Unlawful Associations Act and conviction followed in each of these cases.

VIII

During some months in the middle period of the war, anything suggestive of German origin was positively toxic to large numbers of worthy citizens, who became slightly unbalanced by the strain of the struggle, and especially, perhaps, by the reading of exaggerated or unauthenticated war news. Some were provoked to anger because music by German composers was performed at concerts; and a leading firm of entertainment entrepreneurs was even moved to make the public announcement that items of music of German origin should not be sung or played at concerts under their direction. But they expressed the hope that public feeling would cool down, so that there would soon "be no objection or feeling against Beethoven or Wagnerian works in concert programmes."⁴⁴ Feeling on this point did, in fact, soon subside, for if there was one product of the human spirit which the world of culture could not endure to do without, it was German music; and within a few months a Brahms symphony was no longer considered dangerous nor the singing of Schubert *lieder* possible evidence of a treasonable disposition.

Another manifestation of the passionate anti-German feeling was a movement, which became a political issue, for wiping German names off the map. This naturally affected chiefly those regions into which German immigration had flowed in earlier times, and it is desirable to sketch in some detail the circumstances in which these German settlements had come into existence.

German immigration was encouraged in the years when the foundations of South Australia, and also of Queensland, were being laid. This encouragement, however, was given by influential persons interested in colonisation, rather than officially. The Colonial Office objected to bounties being paid on account of foreign immigrants in the same way as they were given to induce British immigration, because the application of public funds to foreign immigration would "defeat one great object which immigration was calculated to promote," namely the peopling of Australia with a British

⁴⁴ *The Argus*, 27 May, 1915.

stock.⁴⁶ But James Macarthur brought out German vigneron for his wine-growing experiments at Camden⁴⁶ and both George Fife Angas, the vigorous promoter of South Australian interests, and the Rev. Dr. John Dunmore Lang, the apostle of Queensland settlement, were sturdy believers in the virtues of the German peasantry. These two were the more inclined to favour immigration from Germany because at the time when they were interesting themselves in Australian colonisation it happened that a section of the German population was suffering under disabilities of a religious and political character, which evoked their sympathies.

The religious question arose from the attempts made by some German states, especially Prussia, to terminate the disputes which had long been acute within the ranks of the Protestants, by forcing dissenters to accept the discipline of an orthodox and State-sanctioned Lutheran church. Prussia endeavoured to compel the acceptance of a revised liturgy. The consequence was similar to what happened in England when the Stuart sovereigns essayed to force uniformity upon Anglicans, Puritans and Catholics alike. There was conscientious resistance and a grouping of the dissenters into separate sects. And, just as in the reigns of James I. and Charles I. of England the Puritans sought refuge in colonies where they could pursue their religious rites without hindrance from the State, so in Germany the dissenting Protestants turned their attention to the possibility of finding freedom under a foreign sky—with this difference, however: that whereas the English Puritans founded fresh colonies upon the unoccupied seaboard of North America, the Germans turned towards an English colony, where they were led to hope that they would find freedom for their own mode of worship.

A Prussian pastor, August Kavel, of the village of Kelmzig, read about the establishment of the new South Australian colony in 1836, and concluded that it might be advantageous for him to enquire whether the promoters would be willing to provide opportunities for people of his own heterodox persuasion to go as colonists. He went to England and sought

⁴⁶ See Lord Glenelg's despatch of 1837, *Historical Records of Australia*, XVIII, 716, and the despatch of Sir George Grey, *Ibid.*, 720

⁴⁷ *Ibid.*, XXV, 498 *et seq.*

an interview with Angas. He could not have found a more sympathetic listener. Angas had become interested in colonising schemes through reading a biography of William Penn, the Quaker founder of Pennsylvania, and the case of these harassed Prussian Protestants presented itself to him as a parallel to that of the sect to which Penn belonged in the reign of Charles II. Not only did he, as a director of the South Australian Company, extend the hand of friendship to Pastor Kavel, but he advanced £4,000 on loan to him, for the purpose of promoting a German emigration scheme. The Prussian Government placed obstacles in the way of the intending immigrants, but did not go to the length of prohibiting them. The first batch of German colonists arrived at Adelaide in 1838. They were followed by several other contingents to all of whom land was granted. Almost immediately they "made good." They were industrious, enterprising and thrifty. At first they found a ready market for their industry by growing vegetables for the Adelaide consumers, and a contemporary describes how the women brought their commodities into the city on their backs and took back to the farms in the same laborious manner the purchases they made in Adelaide. "In those days a string of matrons and girls could be seen wending their way to the capital in their German costumes." They paid off the money which had been advanced to bring them out to Australia, and bought additional areas of land. Their success induced other Germans to follow their example; and by 1849 the directors of the South Australian Company congratulated themselves on the fact that more than 1,500 Germans had settled in the colony.⁴⁷

These pioneers attracted a steady flow of German immigration to South Australia in later years, till about the year 1881. The important wine trade of the state, though not actually founded by them, was very largely developed by the Rhinelanders. The German colonists made a distinct contribution to the life of their adopted country. There were German villages which to the Australian eye, accustomed to the typical townships of Victoria or New South Wales, had

⁴⁷ Lyng, *Non-Britishers in Australia*, (1927) pp. 27-32, and Hodder, *George Fife Angas, Father and Founder of South Australia*, pp. 156 et seq. For a good account of August Kavel, see Grenfell Price, *Founders and Pioneers of South Australia*.

a peculiarly foreign appearance—neat, trim, clean, with pretty cottages surrounded by gardens bright with flowers, often with vines growing over them glowing with masses of purple grapes in the late summer, and a pervading air of prosperity and well-kept charm. Before the war, these Germans formed an element of the population of whom their fellow colonists of British descent were proud. To the German missions which worked with the utmost unselfishness among the blacks and half-castes in the far interior there was indeed every reason to be grateful. If some patriotic pastor and his wife taught these poor creatures to appreciate German cookery, celebrate German festivals, and—it was even said—speak a few words of German, no anxiety was engendered in the mind of any reasonable British-Australian. There was never any hostility between the two races. Germans were frequently elected to the South Australian Parliament. Their newspaper, the *Süd-Australische Zeitung*, was issued from 1850 without a break till a regulation under the War Precautions Act prohibited all publications in the German language.

In Queensland the first German settlers were members of a mission to the aborigines, which the Rev. Dr. J. D. Lang was the means of founding at Moreton Bay in 1838.⁴⁸ A Brisbane merchant of German origin, Heussler, went as a voluntary emigration agent to persuade his fellow countrymen to seek better fortune in this new colony of the southern hemisphere, and he secured assistance from Godefroy and Son of Hamburg, the great commercial house which was to become important in connection with German activities in the Pacific. For about 40 years there was a steady flow of German immigration to Queensland with the result that by 1881 this element of the population was computed at more than 12,000. They are said to have been chiefly Prussians, Pomeranians, Silesians, and Württembergers. It is also memorable that the famous explorer of western and northern Queensland, Dr. Ludwig Leichhardt, was a Prussian, and that to some extent he was financed by Queensland Germans. The contributions made to the advancement of the State were not, perhaps, so distinctive as was the case in South Australia, but were quite

⁴⁸ See Lang's account of the "German mission to the aborigines," in *chapter XI* of his *Cook'sland* (1847).

considerable. Sir Thomas McIlwraith, the Queensland Premier, in a parliamentary speech once paid a tribute to their value, describing how the German immigrants on landing in Brisbane disappeared into the bush for a few years, "when some fine day they return from the bush in their own attractive turn out, wife and children seated high, and all well dressed and happy looking."⁴⁰

There was not the same degree of organised German immigration in the other States of Australia as in the two instances which have been mentioned, but there were nevertheless separate German settlements in Victoria, New South Wales, Tasmania, and Western Australia, and a considerable German infusion of the general population. In the orchard districts within a few miles of Melbourne, for instance, there were many prosperous families of Germans, and the same might be said of the Clarence and Richmond River areas and the Murray Valley of New South Wales.

The storm of public opprobrium burst upon these people when the news came over the cables of the German invasion of Belgium with its attendant horrors—real enough, but doubtless exaggerated in reports—and of the submarine attacks upon merchant ships. The feeling was most bitter in South Australia, where the proportion of Germans in the population was comparatively high. In 1916 the House of Assembly resolved that the time had arrived when the names of towns and districts which indicated a foreign enemy origin should be altered. A member declared, "we want to remove all traces of the German element in South Australia." The controversy continued for months, until in 1917 Parliament passed an act (No. 1284, 8th November, 1917) giving power to change place names, and the Government appointed a "Nomenclature Committee" to advise as to what names should be substituted for the German names already in use. As many as forty-two were accordingly altered. Thus Bismarck became Weeroopa; Blumberg—Birdwood; Blumenthal—Lakkari; Ehrenbreitstein—Mount Yerila; Friedrichswalde—Tarnma; Germantown Hill—Vimy Ridge; Grunthal—Verdun; Heidelberg—Kobandilla; Hildesheim—Punthari; Homburg—Haig; Krichauff—Beatty; Lobethal—Tweedvale; Von Doussa—Allenby. In

⁴⁰ Lyng, *Non-Britishers in Australia*, p. 58.

New South Wales, Germanton became Holbrook; German's Hill—Lidster; German Creek—Empire Vale. In Victoria, Germantown became Grovedale; Hochkirch—Tarrington; Mount Bismarck—Mount Kitchener. In Queensland, Bergen became Murra Murra; Bismarck—MacLagan; Engelsburg—Kalbar; Gramzow—Carbrook; Hapsburg—Kowbi; Hessenburg—Ingoldsby. In Western Australia, Mueller Park became Kitchener Park; and, in Tasmania, Bismarck became Collins Vale.⁵⁰

The Germans in Australia were nearly all Protestants, but they were far from being unanimous as to the type of Protestantism which they accepted. Their differences dated back to the time of the Reformation, when the doctrines of Martin Luther were officially adopted by the Lutheran princes in the form of the Confession of Augsburg (1530), formulated by Melancthon. But just as at that time there were German Protestants who preferred the more radical statements of the Protestant position promulgated by Calvin and Zwingli, so also amongst these later Protestants there were not only "old Lutherans," but "evangelical Lutherans," and adherents of some finer shades of difference. Broadly speaking, the congregations were organised in two groups, the United Lutheran Church and the Evangelical Lutheran Synod.⁵¹ But politically, the Lutheran churches were important because they had maintained not merely a particular religion, but also a foreign language and traditions. There were prior to the war 52 schools in South Australia in which German was the medium of instruction, though of course English was taught as a subject. There were also Lutheran schools in other States, though they did not flourish to the same extent as did those in South Australia. The policy pursued in these schools was to preserve the German language and inculcate a love of German literature among the descendants of those who had left the fatherland but desired that their children should cherish an affection for it.

This purpose, sentimentally admirable in times of peace, was shattered by the shock of war. The heavy hand of the

⁵⁰ See a complete list of "German Place Names in Australia," so changed, in the *Commonwealth Year Book*, 1926, pp. 50-51. The South Australian instances are set out in a schedule appended to the Nomenclature Act of that State, 1917.

⁵¹ Lyng, in an appendix to his book, pp. 232-4, gives a list of the places in Australia where there were Lutheran congregations in both groups, in 1927.

War Precautions Act was not necessary for coping with the education of children; they could be dealt with by means of the Education Departments of the states. South Australia first required that English should be the medium of instruction for at least four hours per day, but as this did not satisfy public opinion a later act (1917) took the Lutheran schools under the control of the State and provided that English only was to be spoken within school hours. In Victoria likewise the Government prohibited the teaching of German in the ten Lutheran schools, and brought their curriculum into conformity with that in the state schools. In Queensland and New South Wales the German schools ceased to exist.

It was not unnatural that suspicion should have arisen as to the loyalty of this large number of Germans in Australia who had been educated in the German language, and had made such efforts to preserve their relationships with the people of the land from which they sprang—even to the extent of taking educational and other precautions to prevent their children from being completely absorbed in the Australian population. The German communities were aware of this suspicion from the beginning of the war. On the 8th of August, the President of the Evangelical Lutheran Synod in Australia, comprising the congregations resident in South Australia, Victoria, Western Australia, Queensland, and New South Wales, signed an address to the Governor-General, expressive of the true loyalty of all the members of the church. "Although we deeply deplore that Great Britain has been involved in a European conflict, and has been compelled to declare war against Germany, the land of our fathers," the address stated, "we are well aware of our duty as British subjects, and shall always be willing to defend the honour of our beloved King and our dear country, with goods and chattels, with body and life." The Governor-General replied to this address in a letter the draft of which is in his own handwriting. He expressed himself as "deeply gratified and touched by your message of loyal devotion in the hour of trial, which finds you standing, in His Majesty's words, united, calm, resolute, trusting in God."⁵² The Lutheran Synod of New South Wales

⁵² Governor-General's Official Papers, Canberra.

also sent to the Governor-General assurances of "loyalty and sympathy with the British Empire."

Careful enquiries were made as to the loyalty of persons of known German origin. Many of them received letters from friends and relatives in Germany or Austria, which contained strong sentiments favourable to the Germanic Powers. But this was never considered to be a sufficient reason for internment a person to whom such a letter might be addressed. A responsible officer reported that he had no doubt that a strong pro-German sentiment did exist amongst the German population. But many cases of supposed expressions of disloyalty were found on investigation "to have existed only in the heated imaginations" of the people who reported them. Another officer, with excellent opportunities for forming an opinion, expressed the conviction that many people of German origin who were before the war complacent or indifferent to their civic surroundings were now, if not actively plotting against their British neighbours, yet cultivating a pro-German sentiment which might be regarded as dangerous; and he had "no doubt that, were the German arms to be successful in the great world conflict, the German community would be difficult to deal with."

A prominent German in Queensland who gave much trouble to the military authorities was Dr. Eugen Hirschfeld. He was born at Mitisch in Silesia. In 1890, when he was 24 years of age, he came to Australia. He practised medicine in Brisbane, and was for a time a member of the staff of the public hospital there. He made at least one effort to become a member of Parliament, but was unsuccessful in this ambition. He became a naturalised subject of the British Crown in 1893, but in 1900 he registered as a German citizen. For a few years before the war he had been acting as German consul in Brisbane. In his eagerness to impress the German Government with the value of his services, he was probably the most zealous promoter of what was called "Germanism" in Australia. He repeatedly wrote to the Lutheran clergy in Queensland impressing upon them the duty of keeping alive in the minds of their congregations a feeling of reverence for the Fatherland. He encouraged efforts to teach the children German and to prevent them from speaking to their parents

in English; but although he had some success in keeping the German community apart from the Australian his efforts were not always appreciated by his countrymen. In one of Hirschfeld's letters which came into the possession of the intelligence department, he commented on the fact that "there are Germans in Queensland who say frankly to your face that they ask nothing from Germany." Such lukewarmness did not meet with his approval. He encouraged pastors to write to the German Government—especially to Prince von Bülow, while he was German Chancellor—requesting presents of literature for the Lutheran schools; and one pastor considered himself doubly blessed in receiving "a book of verses selected from German genius," from His Imperial Majesty Wilhelm II, "for maintaining the good will of Germans in English speaking countries and nourishing Germanism there."

Suspicion was directed towards Dr. Hirschfeld shortly after the commencement of the war. He was not a man of discreet speech, and made for himself a larger number of enemies than probably did any other individual German in Australia. He was interned at the Liverpool camp in 1915; but he succeeded in persuading the authorities that he was suffering from a weak heart, and was allowed out on parole in August, 1917. The intelligence department, however, found reasons for rearresting him in October. He was released after the termination of the war, in November, 1919, but was rearrested later in the same month. A stipendiary magistrate was asked to enquire into his case, as the military authorities considered that he should be deported from Australia. The magistrate reported that Hirschfeld was "unsurpassed in cunning, and would be unscrupulous in his dealings." He was deported in 1920, after a further examination of his case by a legal adviser of the intelligence department, who was of opinion that "his conduct seems to justify his being treated as an alien enemy."

Another man, who presented many of the characteristics of the typical "spy" of the movie-picture world, or the realm of mystery-fiction, was also familiar in Brisbane. He alleged that his name was Ronald Grahame Gordon, and that he was born in Inverness. He afterwards described himself to the authorities as "a secret service agent, investigator, and

courier," and said that he had performed secret service work for several European countries, including France, Portugal, and the Balkan States. He arrived in Queensland in or about 1912, worked on stations for some time, and afterwards taught the pianoforte and violin in Brisbane.

In September, 1913, this interesting character wrote to Colonel G. L. Lee,⁵³ commanding the Queensland military district, stating that he had secret information "of the plans of a Power 'A' making possible a successful invasion of Australia," and offering—for £500 down and all expenses paid—to make the information available.

It is known only to the War Council and certain of the London and Berlin Embassy Staffs of that Power, and to one European besides myself. It is so cunningly conceived, so far removed from accepted ideas of warfare, and will, if kept a secret, be carried out so relentlessly and with such audacity that it is bound to succeed. Australia *can* be seized and held!

It is to be put into operation immediately upon a certain contingency arising, with the connivance of a European Power "B." It may happen at any moment.

Colonel Lee, after careful inquiry, was not impressed by his personality, and when, in September, 1914, Gordon offered himself as a secret service agent for the Defence Department, the offer was refused. Nevertheless his statement, recorded on the official files, must have had some currency inasmuch as, together with reports of Hirschfeld's activities, it appears to have afforded the basis of a pronouncement⁵⁴ by the Minister for Defence, often afterwards quoted, that the Government possessed evidence that the German Government had made plans to seize Australia. At the time of this statement Gordon himself had almost been forgotten; but it happened that, nearly a year later, he attracted the attention of the intelligence staff and of the police, partly in connection with his association with a Russian, the secretary of the Russian Association. Gordon at once removed himself to Graceville, where he barricaded himself, but was again visited. As he disclaimed knowledge of the Russian, and would give no proof whatever of his own British descent or connection, and as the police reported that he spoke "with a slight foreign

⁵³ Lieut.-Gen. G. L. Lee, C.M.G., D.S.O. Commandant, 6th Military District. 1911/12, 1st M.D., 1912/17, 2nd M.D., 1917/20. Officer of Aust. Permanent Forces: of Sydney; b. West Maitland, N.S.W., 25 June, 1860. Died 14 April, 1939.

⁵⁴ In a speech at Castlemaine, Vic., on 13 March, 1917.

accent, well educated, and that his appearance and manners were decidedly German," he was interned as an alien. The police report clearly and curtly intimated the opinion that Gordon's statement was entireless valueless. After the war he was shipped to Rotterdam.

Some people wildly clamoured for the whole of the Germans and persons of German origin in Australia to be interned, without calculating what this would have meant. It would have required six camps as large as the Liverpool concentration camp to hold them all, not to speak of the injustice of interning many thousands about whose loyalty and good disposition there was no doubt in the minds of those officers who were responsible for informing the Government. The neatest stroke disposing of this demand, which was somewhat recklessly urged by many newspaper correspondents in several States, was administered by Mr. Hall,⁵⁵ the New South Wales Attorney-General. "There are over 30,000 Germans in Australia," said Mr. Hall. "At the present time they are engaged in growing wheat, building houses, bootmaking, and a variety of other occupations. The proposal of a number of people is that these 30,000 Germans should be put into concentration camps. That means that in future Australians will grow wheat for them, build houses for them, make boots for them, and that I, as head of the State bakery, will employ Australian bakers to bake bread for German citizens. I am not sure, under these circumstances, who would be the most punished, the men who remain in camp or the men who remain outside and do the work for them."⁵⁶

Suspicion and prejudice were necessarily generated by the fury of war, and it was proper that no risks should be taken in doubtful instances; but when the facts are calmly reviewed in a period of cooler temperatures, a clear distinction is observable between the patriotic reactions of people of German nationality and those of German origin born in Australia. There were in the Australian army a large number of men, including some of its distinguished—and indeed its most distinguished—members who were, on both sides of their

⁵⁵ Hon. D. R. Hall. M.L.A., N.S.W., 1901/4 and 1913/20; Member of C'wealth House of Reps., 1906/12, M.L.C., N.S.W., 1912/13. Attorney-General and Minister for Justice, N.S.W., 1912/13 and 1916/19; Minister for Housing, 1919/20. Barrister-at-law, of Sydney; b. Bright, Vic., 5 March, 1874.

⁵⁶ *The Sydney Morning Herald*, 24 May, 1915.

parentage, German. But they were born into British citizenship, they fully appreciated the position of Australia as a member of the British Commonwealth of Nations, and they never had a moment's doubt in deciding where their duty lay when the war summons came. There were certainly many hundreds of men fighting in the Australian army whose parents were German born. One of the earliest of recruits of this class presented himself for enrolment in Sydney in August, 1914. He made no secret of the nationality of his parents. The enrolment officer, Lieutenant-Colonel Antill,⁵⁷ was very reluctant to accept him, but the man insisted. He said that though his father and mother were Germans, he himself was born in Australia, all his interests were in this country, Australia had treated him well, and he wanted to fight for the nation to which by birth and feeling he belonged. In every State there were instances of the same kind, and the records of the A.I.F. prove that Australian soldiers of German parentage or descent were second to no others in exhibiting by their deeds their loyalty to their British nationality.

The test was more severe in the case of persons who, though Australians by long residence, were born in Germany. There were among them truculent individuals who had imbibed too copiously the boastful liquor of German invincibility, and diffused the froth of it too freely for their own good. There were others, good Australian citizens all their lives, who wished for no other result from the war than the triumph of the nation with which they had thrown in their lot. It was the task of the intelligence staff of the army to differentiate between these classes, and they performed their task with good judgment, never allowing themselves to be "rattled" by popular clamour or "bluffed" by the machinations of treachery or by the ingenious devices of enemy traders.

IX

Two of the law suits arising out of the internment of aliens were of peculiar interest.

In 1915 Mr. Hughes, whose energies were at the moment bent on eradicating German control of the Australian base

⁵⁷ Major-Gen. J. M. Antill, C.B., C.M.G. Commanded 3rd L.H. Bde., A.I.F., 1915/16; 2nd Inf. Bde., 1916; Commandant, 4th Mil. District, 1918/21. Officer of Aust. Permanent Forces; of Jarvisfield, Picton, N.S.W.; b. Picton, 26 Jan., 1866. Died 1 March, 1937.

metal industry, interned the manager of the Australian Metal Company, Mr. Franz Wallach. Wallach was born in Germany, but came to Australia about 1893 and, after being formally denaturalised by his own country, secured Australian naturalisation in 1898. Under the War Precautions Act his company (which was part of the German combine) had been declared an enemy company, and, except for the export of some small consignments by leave of the Government, its business had ceased. He was arrested at the office under a warrant issued by the Minister for Defence under the War Precautions regulation giving him power to intern any naturalised person whom he had reason to believe to be disaffected or disloyal. The warrant merely stated that the Minister had reason for such belief.

From Langwarrin camp, to which he was sent, Wallach wrote to Senator Pearce pleading that neither by word nor deed had he given any ground for this belief. He had married an Australian wife, whose brothers were then fighting in Gallipoli; and for the eighteen years he had practically never been associated with Germans except those of his own company, and had not been a member of a German club. As the Minister did not reply, an application was made on Wallach's behalf to the Chief Justice of Victoria for a writ of habeas corpus with a view to having the Minister called as a witness and examined as to his reasons.

Sir John Madden ordered the issue of the writ to the Minister and the commandant of the camp (Major Lloyd⁵⁸), making it returnable at the first sitting of the full court. In spite of an affidavit from the Minister stating his opinion that the disclosure of his reasons and of their source would be injurious to the public interests and safety, the Full Court (Sir John Madden, Sir Thomas a'Beckett,⁵⁹ and Mr. Justice Cussen⁶⁰) decided to call Senator Pearce. On August 10th he attended, but declined to make any statement except that his action had been taken "after having informed my mind in what I believed to be in the interests and safety of the

⁵⁸ Lieut.-Col. A. Lloyd, V.D. Sea Transport Service, A.I.F., 1916/17. Iron-monger; of Bairnsdale, Vic; b. Stratford, Vic., 20 Sept., 1870.

⁵⁹ Hon. Sir Thomas a'Beckett. Judge of the Supreme Court, Victoria, 1886/1917; of Armadale, Vic.; b. London, 31 Aug., 1836. Died 21 June, 1919.

⁶⁰ Hon. Sir Leo Cussen. Judge of Supreme Court, Victoria, 1906/33; of Melbourne; b. Portland, Vic., 29 Nov., 1859. Died 17 May, 1933.

Commonwealth," and claimed privilege on the ground that it would be prejudicial to those interests that he should be called upon to disclose his reasons. This plea was upheld (the Chief Justice dissenting), but the court decided that the regulation was *ultra vires*. The Chief Justice said that it unmistakably repealed the Habeas Corpus Act and definitely conflicted with Magna Charta and the Declaration of Rights, to both of which the Habeas Corpus Act gave effect. Although that Act had frequently been repealed by Parliament, which had the power to do so, such repeal had always been a matter of great anxiety to the legislators and had been done explicitly; they had not left the repeal to be inferred by innuendo from the wording of some provision. But the authority from the Commonwealth Parliament under which the regulation had been made conferred no such explicit power. Mr. Justice a'Beckett concurring, and Mr. Justice Cussen dissenting, Wallach was released.

He was immediately rearrested under another regulation approved the week before, enabling the internment of any person if, in view of his hostile associations, this was thought to be in the interests of public safety. Next day the Supreme Court of Victoria granted the issue of a second writ of habeas corpus. Upon the Commonwealth Government appealing to the High Court against the first decision, the hearing in the lower court was postponed; and on September 13th the full bench of the High Court (Chief Justice Griffith, and Justices Isaacs, Higgins, Duffy, Powers, and Rich) delivered a unanimous judgment, declaring that the authority given by Parliament for the making of the regulation was sufficiently plain, and affirming the right of the Minister on the return of the writ to withhold his reasons.

A case which evoked much interest in the later period of the war was that of the Reverend Father Charles Jerger, a priest of the Passionist Order. Jerger was born in Baden, of German parents, in 1869. His father's name was Morlock; but his mother married as her second husband John Jerger, by whose name Charles was known from his youthful years. He came to Australia with his mother and his step-father in 1888. He believed himself to be a naturalised British subject, but in this he was mistaken. He became a member of the

Passionist Order as a young man. In 1916 complaints began to be made against him by persons who attended the services at St. Brigid's Roman Catholic Church, Marrickville, a suburb of Sydney. It was reported that he had addressed the congregation in terms which left no doubt that his sympathies were with the land of his birth. A woman who had a son and a brother at the war walked out of the church while he was preaching, as a protest against his utterances. It was averred that he had said to his congregation: "What has Great Britain ever done for you? Germany would do the same. It would be better for you to live under Germany than under Great Britain." A man reported that Father Jerger had referred to King George as "George Windsor," and expressed his wonder whether a priest belonging to one of the Allied nations, if in Germany, would be allowed to preach in a church and refer to the Kaiser as "William Hohenzollern." The same person wrote that "a man goes to church to hear mass and hear the word of God, not to listen to German propaganda," and stated that he would feel compelled to attend another church instead of that of the parish in which he lived, in order to avoid being offended by Jerger's disloyal remarks. Still more emphatically, a brother priest (November, 1917) expressed his firm conviction, from intimate knowledge of Jerger, that he was "absolutely disloyal to this country and the Empire, and will take every means he thinks he can safely do, to encompass Germany's triumph."

The charges were investigated by a detective of senior rank, and, upon the reports and evidence received, the military authorities interned Father Jerger at Holdsworthy. He protested that he had not made use of any disloyal language and some persons, who averred that they regularly attended mass at the Marrickville church, testified that they had never heard him say anything which would tend to discourage recruiting. But the testimony of Jerger and his supporters was contradictory in several important particulars, and it did not dispose of the positive evidence upon which the authorities had acted.

Efforts to secure the liberation of Father Jerger were made from influential and eminent ecclesiastical quarters. There

was also some popular agitation in his favour. Consequently three separate enquiries were made into his case. The first of these was conducted in 1919 by a stipendiary magistrate in New South Wales, Mr. Butler,⁶¹ who recommended that the internment should be continued. Secondly, the Royal Commission on the Release of Internees, 1919, devoted special attention to Father Jerger and reported concerning him:

With reference to Father Jerger's case we desire to state that we have given it most serious consideration. He is 50 years of age, having left Germany at the age of two years. He is German born, and has never been naturalised, although it is possible that he considers himself a British subject. Under ordinary circumstances, having regard to his 48 years of residence under the British flag, he should be allowed to remain here. But he still says he is a German, and describes his attitude in the late war as neutral. He is a man of strong personality and has been one of the leaders of internees in the camp. His internment has made him vindictive and resentful. Considering his conduct as alleged before internment, we think the magistrate's decision should not be interfered with.

The third enquiry was conducted by the Solicitor-General, Sir Robert Garran, who examined Father Jerger himself and a number of witnesses, including some who testified that while a resident in the internment camp Jerger had addressed other internees, assuring them that Germany would "come out all right," that "the damned Britishers were no good," and so forth. This settled the matter. Not only did the Government refuse to yield to pressure by releasing Father Jerger, but after peace was signed they determined to deport him from Australia. This they had power to do under the Aliens Restrictions Order, 1915, which provided that: "The Minister may order the deportation of any alien, and any alien with respect to whom such an order is made shall forthwith leave and thereafter remain out of the Commonwealth."⁶²

As soon as it became known (July, 1920) that the Government intended to apply this regulation to Father Jerger, an excited agitation commenced. The boast was openly made that he would be rescued and set at liberty, and that all the forces at the disposal of the Government would not be sufficient to get him out of the country. He was proclaimed as a martyr to the sacred cause of liberty, and his deportation without trial

⁶¹ C. F. Butler, Esq. Stipendiary magistrate; of Young district, N.S.W.; b. London, 8 Jan., 1856.

⁶² *Manual of War Precautions*, p. 199.

was declared (in the Senate and elsewhere) to be a breach of the principles of Magna Charta. In all parts of Australia demands for his release were made, and his cause was championed at large demonstrations, in every case organised by the Catholic population; and equally insistent meetings of a different way of thinking urged that the Government should on no account depart from its intention to expel the turbulent priest from Australia. Many Catholics wrote letters dissociating themselves from their co-religionists, and the Orange lodges irrupted with resolutions. The Government was determined; "Jerger," declared the Prime Minister, "must go."

Father Jerger was released from the internment camp on parole on April 30th. He was rearrested on July 7th and confined, first at Darlinghurst gaol and afterwards at Queenscliff fort, Victoria. Application was made to a judge of the High Court, Mr. Justice Starke,⁶³ for an interim injunction to restrain the Minister for Defence from deporting him pending the hearing of an application for a writ of habeas corpus. The judge refused to grant the injunction, but made an order calling upon the officers who had Jerger in their custody to show cause why a writ should not issue. Before this order could be executed, Jerger had been removed to Adelaide and put on board the ship *Nestor*. Here difficulties commenced. He had been brought from the barracks to Port Adelaide in a motor-car, and was to have been removed in a launch from the wharf to the ship, which lay at anchor in the outer harbour. But the crew of the launch refused to work. He was thereupon removed to a police launch, and duly deposited in the *Nestor*. Then the crew of that vessel refused to man her unless the priest were given a trial before deportation. Moreover, the Commonwealth officers were in possession of information that an attempt had been organised to rescue Jerger from the *Nestor*; and it was afterwards boasted that, if the contemplated coup had been carried out, "Mr. Hughes, even with all the wonderful machinery at his disposal, would never have got him back."⁶⁴

⁶³ Hon. Sir Hayden Starke. Judge of High Court of Australia, since 1920; b. Creswick, Vic., 22 Feb., 1871.

⁶⁴ Report in *The Argus*, 2 Aug., 1920.

Probably well-devised plans had been made, but the Commonwealth officers frustrated them by removing Jerger from the *Nestor* to the P. & O. steamer *Khyber*, and ordering the captain, under a War Precautions regulation, to receive him in custody and remove him from the Commonwealth. The *Khyber* arrived at Fremantle with Jerger on board on July 26th. His supporters, though baffled, were still hopeful. The members of a committee in Perth which had been participating in the agitation for his release procured a launch, in which they steamed circling the vessel as she lay at anchor, trusting that at least they might catch a glimpse of their hero, and that at best they might be favoured with an opportunity of effecting his rescue. But fortune did not favour them; and the next news received about Father Jerger was that he had arrived at Colombo (August 5th) in good health and with nothing but praise for his treatment in the *Khyber*.

The wharf labourers then determined to execute vengeance upon the P. & O. Company by refusing to handle cargo on any of its ships, whereby, the agent of the company protested, it was subjected to a loss amounting to several thousands of pounds. Certainly the company was in no sense responsible for what had occurred. It had not desired to take Jerger on board the *Khyber* as a passenger, but was compelled to submit when the captain was ordered so to do, because his refusal would have involved a defiance of authority which, under the Aliens Restriction Order, would have entailed penalties. The company's agent asked why the Government had not exerted its authority to compel the crew of the *Nestor* to work; why, indeed, it had chosen to take no action in that case, but had compelled other shipowners to come into the quarrel, thus involving them in loss and annoyance. But to that protest there was no answer. Nor did the Government take any action against those—their names were well known—who had made preparations to rescue Jerger, apparently concluding that the defeat of these machinations was a sufficient triumph. But the Minister for Defence, in a Senate debate, revealed the fact that all of those who had given information against Jerger, with one exception, were Catholics; and he also alluded to the circumstance that the priest who had reported Jerger's disloyal

utterances and attitude had since been deported, not by the Government, but by the religious order to which he belonged. Another by-product of the case was the issue, in the name of Father Jerger, of a writ against the Assistant Minister for Defence, Sir Granville Ryrie,⁶⁵ claiming £5,000 damages for slander, on account of denunciation of him as "a rebel and a traitor"; but, the deportation having by this time been effected, the court made an order for security for costs against the plaintiff, and nothing more was heard of the action.⁶⁶

⁶⁵ Major-Gen. Hon. Sir Granville Ryrie, K.C.M.G., C.B., V.D. Commanded 2nd L.H. Bde., A.I.F., 1914/18; M.L.A., N.S.Wales, 1906/10; Member of C'wealth House of Representatives, 1911/27, Asst. Minister for Defence, 1919/22; High Commissioner for Australia in London, 1927/32. Grazier; of Micalago, Michelago, N.S.W.; b. Michelago, 1 July, 1865. Died 2 Oct., 1937.

⁶⁶ The narrative printed above is founded upon papers in the Attorney-General's Department, Canberra; *N.S.Wales Parliamentary Papers, 1918, Commonwealth Parliamentary Debates, LXXXIV, 4155* (containing a written statement of the case for Father Jerger); *Commonwealth Law Reports, XXVII, 526, and XXVIII, 588*, and contemporary newspapers.

CHAPTER V

THE GOVERNOR-GENERAL⁽¹⁾

A most punctilious, prompt and copious correspondent was Sir Ronald Munro-Ferguson, who presided over the Government of the Commonwealth from 1914 to 1920. His tall, perpendicular script was familiar to a host of friends in many countries, and his official letters to His Majesty the King and the four Secretaries of State during his period—Mr. Lewis Harcourt, Mr. Walter Long,² Mr. Bonar Law³ and Lord Milner⁴—would, if printed, fill several substantial volumes. His habit was to write even the longest letters with his own hand, for he had served his apprenticeship to official life in the Foreign Office at a period when the typewriter was still a new-fangled invention. He rarely dictated correspondence, but he kept typed copies of all important letters, and, being by nature and training extremely orderly, filed them in classified, docketed packets. He was disturbed if a paper got out of its proper place. He wrote to Sir John Quick,⁵ part author of Quick and Garran's well-known commentary on the Commonwealth Constitution, warning him that the documents relating to the double dissolution, printed as a parliamentary paper on the 8th of October, 1914, were arranged in the wrong order. Such a fault, or anything like slovenliness or negligence in the transaction and record of official business, brought forth a gentle, but quite significant, reproof. In respect to business method, the Governor-General was one of the best trained public servants in the Commonwealth during the war years.

¹ This chapter is based upon the Novar papers at Raith.

² Rt. Hon. Viscount Long. President of Local Govt. Board, 1900/5, 1915/16; Secretary of State for Colonies, 1916/18; First Lord of Admiralty, 1919/21. Of Rood Ashton, Troubridge, Wiltshire; b. Bath, 13 July, 1854. Died, 26 Sept., 1924.

³ Rt. Hon. A. Bonar Law. Secretary of State for Colonies, 1915/16; Chancellor of Exchequer, 1916/18; Lord Privy Seal, 1919/21, Prime Minister, 1922/23. B. New Brunswick, 16 Sept., 1858. Died 30 Oct., 1923.

⁴ Viscount Milner, K.G., G.C.B., G.C.M.G. Governor of Cape Colony, 1897/1901, of Transvaal and Orange River Colony, 1901/5, member of British War Cabinet, 1916/18; Secretary of State for War, 1918, for Colonies, 1919/21. B. Germanv (of British parents), 23 March, 1854. Died 13 May, 1925.

⁵ Hon. Sir John Quick, M.L.A., Victoria, 1880/89; member of C'wealth House of Reps., 1901/13; Postmaster-General, 1909/10; Deputy President, C'wealth Court of Conciliation and Arbitration, 1922/30. Of Bendigo, Vic., b. Trevesa Farm, St. Ives, Cornwall, Eng., 14 April, 1852. Died 17 June, 1932.

Among the non-official correspondents of the Governor-General were Lord Rosebery,⁶ his old chief and always his intimate friend; Sir Cecil Spring-Rice,⁷ the British Ambassador at Washington, for whom he cherished a warm affection; and Mr. Theodore Roosevelt, formerly President of the United States of America, a friend of many years' standing. The numerous letters from Lord Rosebery during the war years were preserved in a special sealed packet. Spring-Rice was one of the most brilliant exponents of the epistolary art in his generation, as the two volumes of his published correspondence show; and the occasional receipt of a letter from him at Government House, Melbourne, must have been a glad event. The Governor-General invited Theodore Roosevelt to visit Australia in 1915 and see for himself how a young nation was responding to the call to arms; but the reply from Oyster Bay to "My dear Ronald" revealed the prophet of "the strenuous life" in a mood of depression, born of disgust with the American attitude towards the war and contempt for what appeared to him to be the evasive dialectic subtleties of President Woodrow Wilson. He did not wish to go anywhere; he was weary and sick at heart.

The official correspondence was designed to give the King, or the Secretary of State, a picture of the Australian political scene, the disposition of parties, the parliamentary situation, the state of popular feeling, the military prospects, together with cool judgments upon financial and commercial aspects. Sir Ronald travelled in every State of the Commonwealth, and had a happy faculty for genial intercourse with all sorts and conditions of men. The former provost of Kirkcaldy had learnt to be "a good mixer." He could, by his sympathetic attitude and good humour, draw people out. If he was sometimes bored he never showed it to those with whom he talked; and people who could tell him about their lives and labours on farms and sheep stations, in forests and mines, or wherever the work of the country was being done, were not the kind to weary his responsive nature. Indeed, the only instance of fatigue mentioned in Sir Ronald's

⁶ Rt. Hon. the Earl of Rosebery, K.G., K.T. Prime Minister of Great Britain, 1894/5. B. 7 May, 1847. Died 21 May, 1929.

⁷ Rt. Hon. Sir Cecil Spring-Rice, G.C.M.G., G.C.V.O. British Ambassador to U.S.A., 1913/18. Of London; b London, 27 Feb., 1859. Died 14 Feb., 1918.

extensive correspondence occurs in a record of his relations, not with ordinary people, who always interested him, but with a State Governor whose "conversation is like the Dee in spate," and after a devastating evening with whom the Governor-General "slept for seventeen hours on end."

It was customary, when he travelled, for him to be accompanied by members of Parliament for the constituencies wherein he had made engagements; and he was always especially pleased to make their acquaintance, and through them to learn not only their political views, but also what they had to tell about local industries, the trials of pioneering in wild country, and the lives of the people. He thus came to understand that in very many instances Australian public men have an extensive experience of life, and that there is often a great difference between the "fire eater" of Parliament and the genial, breezy, anecdotal companion of the smoking room. Thirty years in the House of Commons, also, together with special experience as a party whip, had given Sir Ronald an intimate knowledge of the parliamentary mind. He had to handle a series of political crises probably as difficult as have ever faced a representative of the Crown in the Dominions; but there was never an occasion when his independence of judgment was at fault or when his decisions were fairly challengeable. The passion of parties surged in angry breakers, but the Governor-General stood steadily above the storms.

He wrote as he talked, with an easy, free flow, enlivened often with flashes of humour and pointed with apt allusions. A good story which came to his ears was most likely to be passed on to Buckingham Palace or Downing Street. His comment (August, 1915) upon the extravagance of the States at a time when the stress of war should have called a halt to reckless expenditure, was accompanied by a whimsical reminder that the Federal Government was far from blameless on the same count:—

"The Federal Government preaches economy to the States (as well as to the private citizen, who is far more thrifty than his masters) and comparatively speaking it has been until recently in a position to do so. To-day, however, when there is a question of the reduction of the

pay lists at Canberra, for P.O. buildings and other things, its attitude is that of the gentleman asked by a fellow guest to help him to his feet after dinner: 'No, I can't do that, but just to show my friendship for you I will lie down beside you.' There can be no doubt now that our participation in Imperial loans accounts in part for the continued extravagance of all these seven governments, and that but for the supply of ready money, the need for economy would have been better realised."

For the Australian people as a whole he maintained a warm, though critical, admiration, which was expressed in several of his official letters. The following estimates were both written in 1914:

"The practical side of the Australian character comes out in their mobilisation, and will be apparent in the prosecution of the war. Being also extremely adaptable, they quickly seize on every device that suggests itself for accomplishing desirable ends, and will not, I imagine, stick at any rule-of-thumb procedure to achieve their purpose."

And again:

"Happy-go-lucky methods are typical of this people. They pursue them with a grasp of the realities, an astuteness and energy which are not without success in politics but are excessively disconcerting in war time."

II

The Governor-General worked with three Prime Ministers—Mr. Cook, Mr. Fisher and Mr. Hughes—and with Senator Pearce and Mr. Watt as Acting Prime Ministers during the two visits of Mr. Hughes to Europe. The other ministers with whom he came in closest contact were Mr. Tudor, Sir William Irvine, and Sir John Forrest, with all of whom he worked on the friendliest terms. Mr. Fisher he esteemed as a man who—

"played with all his cards on the table, and according to his own fixed rules. He was absorbed in his own opinions, which are unchangeable. Nevertheless, such is

his honesty and public spirit that it is always a pleasure to confer with him as a friend, and as a minister it was often useful to do so."

When Mr. Fisher became High Commissioner, the Governor-General wrote: "In personal character he stands so high as to be a real loss to our public life. He takes a little knowing before one appreciates to the full the worth of his honesty, courage, and public spirit." And again: "A most honourable, upright man, and a good judge of men. He has sterling worth, but none of the ornamental gifts and graces of Sir George Reid."⁸

Sir William Irvine was esteemed by the Governor-General as:

"carrying weight through sheer integrity, capacity, and force of character. He has more the mind of a statesman than anyone else in Australia, and though he may occasionally take the high hand, as when he suggested to me in private that the Imperial Parliament might very properly have decreed conscription after its defeat by referendum, which involved his exclusion from this Government, there is no public man who so often hits the right nail on the head." (February, 1917.)

For Sir John Forrest, as "a most gallant old gentleman," whose record as an Australian explorer was hardly less distinguished than his political career as a State Premier and Federal Minister, the Governor-General had an admiration which he frequently expressed in his correspondence. But Sir John's ambitions towards the close of his life were somewhat troublesome and marked by intrigue. At one time he aspired to be appointed Governor of Western Australia. When that opportunity slipped away he fixed his gaze upon the Prime Ministership of the Commonwealth. The Governor-General wrote (21st February, 1917):

"He has given a deal of trouble lately, for he is old, and would dearly love to be Prime Minister. Consequently he has been very difficult to satisfy. . . . There is, of

⁸ Rt. Hon. Sir George Reid, G.C.B., G.C.M.G. Premier of N.S.Wales, 1894/99; Prime Minister of Australia, 1904/5; High Commissioner for Australia in London, 1910/15; Member of House of Commons, 1916/18. B. Johnstone, Renfrewshire, Scotland, 25 Feb., 1845. Died 12 Sept., 1918.

course, no more loyal Australian than Sir John, nor one who enjoys more popularity, especially among the well-to-do classes. His following are known as 'the Dinner Party.'"

Sir John's eminent services were sufficient to warrant any honours being conferred upon him—and that he appreciated the decorative symbols of distinction he frankly confessed. But it was apparent to well-informed observers of the political scene that no considerable party desired to see him at the head of the Government. His persistency in pushing his claims, as much perhaps as his undoubted attainments, induced the Governor-General to throw out the suggestion in the proper quarter, that, should His Majesty the King be disposed to grant a peerage in Australia as had been done in Canada and South Africa, there was no man upon whom it could more appropriately be conferred than Sir John Forrest. The suggestion was favourably received, and a few months later Sir John was gazetted as Lord Forrest of Bunbury. He was then suffering from the painful disease which ran its fatal course before the new peer could wear his robes and take his seat in the House of Lords. The Governor-General reported (11th March, 1918):

"No kindlier recognition of great service could have been given than this peerage. His Majesty would have been touched to witness the quiet satisfaction with which the gallant old Sir John received, in the midst of suffering, the news of His Majesty's gracious act. Her Excellency and I gave it to him in his sick room."

Even then, with characteristic tenacity, Lord Forrest was not disposed to surrender his place in the Commonwealth Cabinet. It was clear to all except himself that he could not recover, but he maintained that he would. To his colleagues, however much they esteemed him, he was no longer fit to control the Treasury. The Prime Minister invited the Governor-General to speak to Lord Forrest on the question of his resignation, "but this he declined to do, though anxious that Lord Forrest should resign." The painful fact that he had reached the end of the tether was, however, at length brought home to the veteran leader, and he resigned, to be succeeded at the Treasury by Mr Watt.

Of the new Treasurer and acting Prime Minister the Governor-General wrote (28th May, 1918):

"Mr. Watt has good qualifications for the post. He is very able, has had considerable experience as State Premier, and has the further merit of being accessible, considerate, and diplomatic—so that if relations with him are less interesting than those with Mr. Hughes, they are in some respects more satisfactory. He has his party well in hand, the Opposition is very weak, and there is no reason to anticipate any immediate political crisis."

In another letter the Governor-General referred to Mr. Watt as "next to Mr. Hughes the most able and practical of our public men." Further experience of him drew from Sir Ronald the estimate (9th March, 1920):

"Mr. Watt is quite one of the ablest of the Federal Ministers. He is generally represented in cartoons with the physiognomy of a burglar. But he has great merits, and is one of the most broadminded of our politicians. He understands business, and has a good grasp of the financial and commercial situation. He is as casual in his methods as the ordinary run of ministers, and I have not always found it easy to secure an interview or obtain answers in correspondence. On the other hand, he is extremely reasonable and pleasant in discussion, and he can see both sides of the case. He is a careful Treasurer, and I feel pretty sure that had he been at the Treasury during the early stages of the war, he would have imposed war taxation at an earlier date, and made better provision for military expenditure."

III

With Mr. Hughes, the Governor-General's relations were longer than with any other Australian Minister, and they were, from the beginning to the close, invariably friendly and intimate. There was deep sincerity in the acknowledgment which the Prime Minister made in a letter written in April, 1918:

"You have been, in many a serious and trying crisis, a great help to me. Many times I should have thrown up the sponge, but for your advice, your sympathy, and the feeling that you believed in me."

From the commencement of the Governor-General's term of office, he had discerned certain qualities in Mr. Hughes, marking him as a leader capable of unusual energy, enthusiasm, and devotion to a cause calling for those gifts. He was "always dauntless, cheery and patriotic to the core, while his dash and genius lend charm to a wild career." "I put my Welshman a bit above yours," wrote Sir Ronald, "having 'tried baith,' as the dying father avowed in recommending honesty as the best policy to his heir."

Nevertheless, Mr. Hughes was not always an easy man to work with. He gathered into his own hands more departmental business than he could possibly manage efficiently, notwithstanding his immense driving power. "In old corn mills," the Governor-General commented, "some stones ground rough and others smooth, but in the Colonial mill, when the stones work at all, one may refuse to move, while the other races." Mr. Hughes worked several mills, and wanted all the stones to race.

"In the course of Mr. Hughes's struggle after efficiency, the Prime Minister's Department became greatly enlarged, and it has become something of a maelstrom into which business from all departments is sucked and continues to swirl round and round, seldom getting back again into the ordinary channels, where presumably it might be carried further."

A passage in another letter discussed the same characteristic:

"Hughes is certainly our best man, but his methods are those of Lord K. He does not know how to devolve responsibility and work, and, excellent as his influence is, he is too often unable to grapple with detail or overcome difficulties. His health is a terrible handicap, and the wonder is that he gets through with his work at all."

Another characteristic which often perplexed the Governor-General was Mr. Hughes's secretiveness, even with those whom he thoroughly trusted:

"He has all the arts of a crab. When he does not wish to be drawn, he withdraws within the impenetrable shell of his designs, or very literally disappears into space, and apparently neither gets nor answers letters."

And again, to another correspondent :

“ Mr. Hughes is a curious combination of candour and secretiveness. I find it hard to get hold of him at times, but when I do he often pours out his soul, though doubtless even then there are ‘ reservations.’ ”

One of the occasions when Mr. Hughes “ poured out his soul ” was on the eve of the first referendum, in circumstances which might have broken the spirit of the most hardened politician. The first Hughes Ministry had collapsed; the parliamentary Labour party, which the Prime Minister himself had done so much to create, had broken away from him; he and his own band of followers were a party at a loose end; and some men who had been his most intimate friends throughout his public life were now his most bitter enemies. His political world seemed shattered as though by an earthquake, and the ground still shook under his feet. Steel-cased though he might appear to the public eye, Mr. Hughes was indeed a sensitive human being, and in this crisis he turned to the Governor-General for the touch and voice of friendship. Sir Ronald was in residence at Admiralty House, Sydney. He had gone to bed. The telephone bell rang after 11 o'clock. The Prime Minister desired to speak with him. The Governor-General got up, dressed, summoned the launch, crossed the harbour, and found Mr. Hughes waiting for him in a taxi on the Quay; and there the two men sat and talked till the hum of traffic in the great city died down. Relating the incident to a friend in England, Sir Ronald, who was “ greatly touched,” said :

“ He apologised for hauling me out of bed by saying that he felt he must consult somebody, for he had not a brainwave left, and there was no one else with whom he could speak freely.”

Yet with all his friendship for “ my little Prime Minister,” the Governor-General was always cautious when any constitutional question arose. The old guardsman remembered the difference between “ stand at ease ” and “ attention : ” and was strict in the observance of his duty as the impartial representative of the Crown. In November, 1916, Mr. Hughes represented that his efforts to reconstruct the Government

would be facilitated if he were in a position to hold the threat of a dissolution of the House of Representatives over recalcitrant members. The Governor-General declined to pledge himself; he would reserve judgment as to whether a dissolution was justifiable until it was made clear that the existing Parliament could not provide a Government for the remainder of its normal life.

In January, 1918, when Mr. Hughes resigned in conformity with his pledge, the Governor-General, before entrusting him with a fresh commission, was careful to sound the leaders of various sections in Parliament, to satisfy himself whether an alternative administration could be formed. The principle which he maintained in regard to all ministerial changes was the tried constitutional one that, in his own words, "the fate of governments depended entirely on their strength in the House of Representatives, and on the confidence felt in them by the representatives elected to Parliament." When it was pressed upon him by members of the Opposition that the Governor-General ought to insist upon the literal observance of Mr. Hughes's famous pledge, his reply was that "the representative of the Crown was not the keeper of the Government's conscience, and that the obligation that rested on him was to follow constitutional practice by taking cognisance only of the parliamentary situation and of the strength of parties in the House."

Mr. Hughes once described himself in a letter to the Governor-General as, "if not the worst correspondent in the world, at any rate a very bad one." His letters on important matters of public business were often mere crooked scrawls, evidently written in a great hurry, and only legible by a process of patient microscopic study aided by ingenious guesswork.

But sometimes he was disposed to be more informative, especially when he had an amusing experience to describe. His letters during the Peace Conference frequently contained gusts of that humour which made him one of the brightest of companions. Writing from Paris in March, 1919, he said:

"Paris to-day presents a spectacle unique in the history of our time. . . . One sees everybody, talks to everybody. . . . meeting in one day representatives, literally, of China

and Peru, Japan and America, Poland, Arabia, Czechs and Arabs, Italy, Greece, Brazil. It would cheer you tremendously to hear me making jokes in English, which, filtering through the joyous mentality of the French interpreters, ultimately make the Czechs and Arabs and Greeks laugh."

The letter from the Prime Minister which the Governor-General most enjoyed, for obvious reasons, was one written from London in September, 1918, giving an account of Mr. Hughes's adventures among the polite negatives of Westminster:

"I do not know the name of that great, that illustrious man, who, first amongst the children of men, declared in accents of passionate pessimism (passionate pessimism is rather good) that 'Man proposes but God disposes'—but I entirely agree with him.

"Here am I, feebly struggling in this devil of a spider's web, the weeks fly by, the months roll on, *j'y suis et j'y reste*. I make plans, the rude thumb of destiny smears their perfect lines into a hideous smudge. It is very sad!

"My tuneful brethren—I allude to my distinguished colleagues from Canada, N.Z., and Newfoundland—all have fled, and I, longing to flee too, am still here. When am I coming back? Well, certainly not until I have sold our wheat, and lead, and copper, and butter, and tallow, and hides, and leather, and, *and*

"When will that be? The good God only knows! Every day I bombard the enemy with high explosive, with shrapnel, with everything at my disposal.

"I ask him why he does not buy our beautiful wheat, and tallow, &c. He says that he lives for just that purpose; that he has in fact consecrated his life to the job; he is for the Empire, and for our beautiful wheat, &c. *But!* Alas he can do nothing unless the Treasury agrees. Damn the Treasury! Well, I go and see the Treasury. They welcome me with open arms; they are unaffectedly glad to see me; they too want to buy our beautiful wheat, &c. *But*—the Inter-Allied Executive stands in the way! Damn the Inter-Allied Executive!

I go and see them. They are the very salt of the earth, kindness oozes out of their every pore, benevolence, philanthropy, sit enthroned upon their noble brows. They want to buy our beautiful wheat. It is the best wheat in the world. Absolutely, you understand, the very best. They must have it. *But!* They can do nothing without the Shipping Controller consents, or does something by which he will be hopelessly compromised. Damn the Shipping Controller! However, I go and see him. He is a Scot. May the good God be good to me! However, as I say, I go and see him. He receives me as if I were the Holy Grail, or Robert the Bruce, or Harry Lauder. He shakes me by the hand so impressively that I fear the worst. I am not mistaken. *He* wants to buy our beautiful wheat. It is, he says, with infinite pathos, absolutely the best wheat in the world. He feels sure we shall never win this cruel war unless the troops are fed up with this life-giving food from Australia's sunny isle. *But!* He can do nothing; the matter is in the hands of—*The Treasury ! !*

"Thus I pass laborious and fretful days, going round and round like a clock-work mouse. However, I will sell the wheat, copper, lead, butter, tallow, hides, &c. I must do so, for without money we cannot finance the war.

"Do you know that the Australians have been fighting continuously—always on the aggressive—for over six months this year—that they were in the line all the year, most of them at all events—that they have taken of wounded prisoners⁹ a greater number than their total casualties during the whole of this period—that they have not once during all this time been defeated? But perhaps you will say I write with the pen of a partisan. Perhaps I do, yet I write the truth. Indeed, less than the truth, for nothing that any man can write or say can fairly set forth the amazing, the glorious, story of these wonderful boys.

"After a pitched battle with the War Office I managed to get the authorities to agree to home leave for the 1914 men. *Then* the trouble began. They could go if shipping

⁹ There is probably a slip here; the prisoners—but not the wounded prisoners—outnumbered the Australian casualties.

accommodation could be obtained. Of course it could not. The Shipping Controller was very sorry, but he really could not provide transport. I saw the Minister. He was very sympathetic. They all are—always. He said he would *speak to the Shipping Controller*. My God! By God! &c., lama Sabactheni! I haven't a Bible here, so I have improvised the spelling, but you will know what I am trying to say. He *did speak* to the S.C.! Hush! we are on holy ground now! You can guess what the S.C. said to the Minister, and what the Minister said to me; but you can't guess what I said to the Minister! I said *nothing!* Just that. But I got the thing done! And I'm going to do some more things in the same way.

"I hope God will help you to read this rambling scrawl. By the way, I saw the Colonial Secretary the other day, and we agreed that it would be a very serious thing indeed for the Empire if you left Australia before the war and its aftermath were out of the way. I tell everyone just what I think, that you have been a veritable gift from God to us in Australia during this great crisis."

IV

In large measure, the success of the Governor-General in handling difficult situations in a period of extraordinarily passionate politics, was his habit of thinking out carefully on paper the various alternatives. He wrote elaborate memoranda on all the important ministerial changes, and there was rarely an interview with a leading politician concerning a major issue, but was the subject of an *aide-mémoire*. When such an interview was anticipated, he would sometimes write a kind of agenda of the points likely to be discussed, and what he judged his own duty to be. Thus, in connection with Mr. Hughes's resignation in January, 1918, the Governor-General wrote a memorandum of six typed folio pages, setting forth in a few crisp paragraphs an exact statement of the situation, and then considering (1) the possible courses open to the Prime Minister; (2) could a colleague of the Prime Minister form a Government? (3) if so, could Mr. Hughes be a member of it? (4) could the leader of the Opposition form a Government? and (5) considerations which would arise if Mr. Tudor

were given a commission. By thus reasoning out to logical conclusions the several possibilities, he gave himself a valuable advantage in discussing with party leaders the proposals they put before him. He was ready at all points.

The Governor-General did not conceal his dislike for any course being proposed to him which he had not had an opportunity of considering. A notable instance occurred in 1917, when Senator Ready resigned, and, by the rapid election of Mr. Earle as a Senator, the minority supporting the Government in the Senate was converted into a majority. Writing to the Secretary of State, he said :

"I was a little uneasy over the business, as savouring too much of a trick in which I did not wish to be involved. But it appears to be perfectly in order. . . . I have written to the Prime Minister that I must have one or two hours' notice when he desires to see me on urgent and important business, also a note of the subject matter to be discussed, and an indication of the action proposed to be taken. He (Mr. Hughes) likes a dramatic situation and to bring off a *coup de main*."

Almost as surprising, though less objectionable to the Governor-General's sense of political propriety, was the method of reconstituting the Government in November, 1916 after Mr. Hughes and his group of 23 supporters, left the official Labour Party. The scene was enacted late at night at Government House :

"He informed me that he had a good prospect of Liberal support, a fact which he then and there put into writing, and that it was expedient that the names of the new Government should appear in the press the next morning—a moment rapidly approaching. It then transpired that Mr. Hughes had concealed his chosen followers in another part of the building, after the manner of Ali Baba, and that, their presence having been discovered by the military secretary, the clerk to the Executive Council and the Bibles were in readiness. Thus the New Australian Government came into being."

A significant example of the Governor-General's grasp of constitutional principles is presented by his action regarding

the re-commissioning of Mr. Hughes in January, 1918. Mr. Hughes had proposed to make the first public announcement of the event, not to Parliament, but just before a meeting of his parliamentary party. The Governor-General considered this course improper, and wrote to the Prime Minister (January 9th) :

“ I would strongly urge that the announcement be made in Parliament, and that for the following reasons. I have taken my stand on the absolute pre-eminence of Parliament, and on my inability to recognise party exigencies, or to have official cognisance of any happenings or utterances outside the parliamentary arena. Therefore, to allow Parliament to meet after a commission has been granted, and to allow it to remain in ignorance of this important fact, until a party meeting has been given the information, is to ignore the principle on which I acted in granting you a commission. I would therefore strongly advise that you make the announcement in Parliament, whose supremacy it has been my object to vindicate.”

Mr. Hughes accordingly changed his plan, and made the announcement in Parliament.

As the representative of the King within the Australian Commonwealth, the Governor-General's duty was to keep His Majesty acquainted with the trend of events. He was assiduous in so doing. But an informant must himself be informed. Sometimes, amid excitement and rush of business, the Prime Minister omitted to communicate important decisions to Government House. A lapse of that nature occurred when the Cabinet in November, 1917, decided to take the second referendum on conscription. The Governor-General promptly wrote to Mr. Hughes pointing out that it was not proper that he should have to learn of a first-class matter of policy from the newspapers. Mr. Hughes lost no time in apologising. The oversight should not have occurred; he was extremely sorry. Again, in April, 1918, when the Prime Minister left Australia for London, no official information was sent to the Governor-General as to who was to be Acting Prime Minister. The newspaper announcements showed it to be probable that Mr. Watt would be chosen, but

the representative of the Crown should not have been left to learn from an unofficial source who his principal adviser was to be. Mr. Hughes was already in Sydney, about to embark, when he received a telegram (April 25th): "Have received no information as to who is to act in your absence." Mr. Hughes replied on the same date: "Mr. Watt will act during my absence." Writing to the Secretary of State, Sir Ronald said:

"Like the Chevalier Grammont, who forgot to marry the Hamilton sister, he (Mr. Hughes) forgot to tell me who was to be Acting Prime Minister, and so I, not liking these little forgetfulnesses, wired to Sydney for information, and wrote formally to the Cabinet, pointing out that such information should have been furnished before the P.M. left the seat of Government. He wrote me an exceedingly nice letter before going on board."

A few lapses of this nature were due to forgetfulness or haste, but some Ministers held the mistaken view that the impartiality of the Governor-General was in some mysterious way safeguarded by keeping him in ignorance of Cabinet decisions. Sir Ronald did not agree. Not only was he intensely interested in Australian affairs, but he considered it an obligation to inform himself promptly and accurately in order that he might efficiently discharge his duty to the Crown. This point of view was explained in a letter of July, 1916:

"Decisions have occasionally been taken in respect to policy or change of policy, of which the G.G. became first aware through the medium of the press. He therefore took occasion to informally discuss with ministers constitutional procedure, and was listened to with respect. Ministers were evidently under the impression that it was their prime duty to safeguard the Crown, or its representative, against any suspicion of political bias, and that by not consulting him, or even informing him of their intentions, they were safeguarding his neutrality. I pointed out that the Crown was entitled by the custom of the Constitution to receive the fullest information as to the Government policy before it was made public, and of any change made in that policy after it had been approved."

V

At a meeting of the Imperial War Conference in July, 1918, the Australian Prime Minister moved a resolution which was unanimously adopted, providing that:

"This Conference is of opinion that the development which has taken place in the relations between the United Kingdom and the Dominions, necessitates such a change in administrative arrangements and in the channels of communication between their Governments, as will bring them more directly in touch with each other; and that the Imperial War Cabinet be invited to give immediate consideration to the creation of suitable machinery for this purpose."

The Prime Minister of Canada, Sir Robert Borden,¹⁰ strongly supported his Australian colleague. The proposal appeared to involve two important changes: (1) that the Prime Minister of a dominion should be able to communicate directly with the British Government, *i.e.*, that such communications should not, as hitherto, be transmitted through the Governor-General; and (2) that the Prime Minister of a dominion should be able to have direct communication with the Prime Minister of Great Britain, *i.e.*, without the intermediacy of the Colonial Office. Doubtless there were occasions during the war when dominion prime ministers became impatient because they did not receive immediate replies to their communications with Great Britain; though the mover of the resolution could hardly, with a good conscience, have reproved anyone for lack of promptitude in correspondence. But every government department in Great Britain was working under high pressure, and the Prime Minister in particular laboured under a weight of responsibility and a multiplicity of duties greater, probably, than any head of an administration had ever previously borne.

The Secretary of State, Mr. Long, though, as he cabled, "in general accord with the need for some change as a result of the altered status of the Dominions consequent upon the war," made it clear that the Government could not arrive at a conclusion upon Mr. Hughes's proposal until the views of

¹⁰ Rt. Hon. Sir Robert Borden, G.C.M.G., Prime Minister of Canada, 1911/20. Of Ottawa; b. Grand Pré, Nova Scotia, 26 June, 1854. Died 10 June, 1937.

the Governors-General had been ascertained. At the same time, he was clear that it would be impossible for the Prime Minister of Great Britain to undertake the transaction of business with the dominions. He might be consulted on "special and vital occasions," but could not add substantially to the volume of work entailed upon him. Cable messages were sent to Australia, Canada, South Africa and New Zealand. The replies showed that Sir Ronald Munro-Ferguson, the South African Governor-General (Lord Buxton¹¹), and the New Zealand Governor-General (Lord Liverpool¹²) were in agreement that the proposed change was undesirable. The Canadian Governor-General, the Duke of Devonshire,¹³ was more nearly in accord with the views of his Prime Minister, and was disposed to allow the proposed change to be adopted without serious challenge.

Sir Ronald replied to the Secretary of State in a long cable message, and, later, in a more fully reasoned memorandum. In his opinion it was undesirable to transfer dominion affairs to the Prime Minister of Great Britain, whose chief concern was not administration but leadership and the management of a political party. The result would be to entangle dominion affairs with home politics. The existing arrangement ensured the consideration of dominion questions by a special minister who was not, as such, closely identified with party politics, and who could secure the consideration of special questions by the Cabinet. Further, the change would materially alter the status of the Governor-General. If he were no longer the channel of communication between the dominion government and that of Great Britain, he would lose prestige. He would not be kept informed of what was happening as between the two governments. He would have no opportunity of advising the Crown as to public opinion on questions dealt with in correspondence which he did not see, or as to circumstances bearing upon or qualifying the situation. The Governor-General should be in a position to give an impartial opinion

¹¹ Rt. Hon. Earl Buxton, G.C.M.G. High Commissioner and Governor-General of South Africa, 1914/20. B. 25 Oct., 1853. Died 15 Oct., 1934.

¹² Rt. Hon. the Earl of Liverpool, G.C.B., G.C.M.G., G.B.E., M.V.O. Governor-General of New Zealand, 1912/20. Of Hartsholme Hall, Lincoln, Eng.; b. Compton Place, Sussex, 27 May, 1870.

¹³ Rt. Hon. the Duke of Devonshire, K.G., G.C.M.G., G.C.V.O. Governor-General of Canada, 1916/21; Secretary of State for Colonies, 1922/24. Of London, and Chatsworth, Derbyshire, Eng.; b. Devonshire House, London, 31 May, 1868. Died 6 May, 1938.

on the views of both political parties. He was the responsible informant of the Crown concerning the affairs of his dominion, and for this reason especially should know what was happening. This point he strongly emphasised in the following passage:

“If a Governor-General ceases to be the channel of communications he will cease to be informed of projected policy by his government, he . . . will often be left in complete ignorance of what is passing between his own and the Home Government. As the Crown represents the chief link between the United Kingdom and the Dominions, and presents the only kind of security under the British Constitution for that continuous national policy on which so much depends, it does seem unfortunate that, at this juncture, the status of a Governor-General should be reduced to that of a British resident attached to a dominion government and with less real power than a dominion minister attached to the Imperial Cabinet.”

The Governor-General doubted whether the proposed change would economise in time or improve the service. But he threw out the suggestion that “if Crown Colony administration were really separated from that of the dominions, and the latter administered from a separate department, while men having first-hand knowledge of the dominions were associated with its administration, objection to the present system would disappear.” The change did in fact lead to the establishment of a Dominions Department, under its own Minister, distinct from the Colonial Office; though the second part of the suggestion—the formation of a consultative associated committee, an idea to which Sir Ronald continued to be partial after his return to Great Britain from Australia—was not deemed practicable.

Mr. Walter Long, in a private letter to the Governor-General, written after the passing of Mr. Hughes's resolution, expressed the opinion that “the change is due to two causes: first, the war, and the fact that from time to time Prime Ministers think that they ought to send some special hint or suggestion to the Prime Minister here; secondly, to an idea that it is more dignified and more becoming the position of Prime Minister of a great dominion to be in direct com-

munication with the Prime Minister of the United Kingdom, rather than having to address him through another Minister." At the same time, Mr. Long did not conceal his opinion that "the pressure of work on a Prime Minister here is so great that it is quite impossible that any communications he receives can be given the time and attention which, if they are of any real importance, they deserve."

That the Governor-General regretted the adoption of the resolution on personal as well as administrative grounds, is certain. "I feel the position of the Governor-General is so greatly altered by the change," he wrote, "and that the constitution itself is so altered by his elimination as a constitutional factor, that I am glad my term of office is nearly over." He believed that the position which the Governor-General under the Commonwealth Constitution was intended to occupy, had been undermined by a political device which deprived him of direct means of knowledge of what was happening between two governing authorities, in both of which he occupied a responsible place. There was a clear difference, in his judgment, between political manœuvres within Australia, as to which ministers might consider that they could keep their own secrets among themselves, and matters of policy as between the Imperial and Australian Governments, as to which the Governor-General ought to be the "channel of communication." Moreover, he was not the man to accept willingly any minimising of his office. He was too deeply interested in Australia and in her place in the British Commonwealth of Nations, to be content to be a dignified spectator. As his abundant correspondence proves, he did not lightly regard the duty of keeping the Crown informed about important movements and tendencies, and could not be content to gather his information from second-hand sources. His own promptness in transmitting despatches and cables refuted the suggestion that delays occurred under the system prevailing from 1914 to 1918, and he denied the probability of "direct" relations with the Prime Minister of Great Britain conducing to the acceleration of business.

So far from agreeing with a course which appeared to minimise his office, Sir Ronald held that it should be strengthened in one direction. He more than once threw out

the suggestion that the Governor-General should also be High Commissioner of the Western Pacific—and, as such, an Imperial officer. The suggestion was never formally considered, and the acceptance of it would have raised considerable difficulties, constitutional and administrative, both from the Australian and from the Imperial point of view.

VI

Nevertheless in 1919 he agreed to a year's extension of his term, and, when it was intimated that the Prince of Wales intended to pay a visit to Australia, and that the Imperial and the Australian Governments desired again to extend the Governor-General's stay in Australia in order that he might be the host of His Royal Highness, he did not hesitate to consent. He left himself "entirely in the hands" of the Secretary of State. Lord Milner officially informed him (early in 1920) that the King had approved of the extension of his term, and Sir Ronald replied that he would do his utmost to give the Prince "a pleasant time and make the visit a triumphant success." That promise was thoroughly fulfilled during the memorable months of 1920 when His Royal Highness made his series of visits to the various States of the Commonwealth.

The peerage conferred upon Sir Ronald Munro-Ferguson, by which he became Viscount Novar of Raith (6th December, 1920) set the crown of approbation upon his discharge of his duties during the most perplexing period in the history of the Australian Commonwealth. His official path in those exciting years was anything but smooth. It was broken by pitfalls which could be avoided only by alertness, adroitness, and strict adherence to principle. The Governor-General had to be aloof and independent, yet he felt that he could not be indifferent to the duty, which, he believed, Australia was under a solemn obligation to discharge, of vindicating the Empire of which she was an important dominion. There were occasions when his personal opinion on matters of policy did not accord with the course determined upon by his ministers. But his constitutional position required him to accept advice, not to give it, unless it were solicited, and then his counsel was given as that of friend to friend. We now know

that his personal opinion was that the first conscription referendum was "a first-class error for which the state of politics and society is more responsible than the Prime Minister," though "the two most notable and experienced men in Australia, Griffith and Barton, were of opinion that the referendum had to be conceded, and that Hughes was right." As to the second conscription referendum, his own view was that the Prime Minister made a capital error in "yielding against his better judgment instead of putting conscription to the vote in Parliament and dissolving if beaten." But these opinions it was not for him to express to his official advisers. It was their business to formulate policy. He was placed "above the thunder," an observer, not a participant; and it was his strength as Governor-General that he could detach himself from the broils of the day and keep his own judgment cool.

When Lord Novar died (30th March, 1934) Mr. W. M. Hughes published a tribute to his memory, which, coming from the one man in Australian political life who knew him most intimately, merits quotation in this chapter :

"Lord Novar's name will always be associated with the greatest crisis in Australia's history. His term of office—extended, as tribute to his outstanding qualities, beyond the normal period—covered the war and early post-war years.

"Coming to the Commonwealth with a great reputation, he displayed qualities of statesmanship of the highest order, and he had a profound knowledge of human nature.

"Among the distinguished men who have held the Vice-Regal office since its establishment—under five of whom I have had the honor to serve—he stands out prominently.

"He was a man of wide vision and sound judgment, sagacious in counsel, tactful, fertile in suggestion, and of great courage. Guided by great principles, and inspired by lofty ideals, no man was more ready to acknowledge and face facts.

"During the dark days of the war, when the sky was black with portents of disaster, he never lost confidence in ultimate victory. In grappling with the many and complex problems, national, economic, social, and political, that confronted the Government which I had the honor to lead, he was always ready with wise counsels and helpful suggestions.

"Lord Novar has earned a lasting place among the great pro-consuls who have helped to build up the British Empire."

Notwithstanding the anxieties entailed by the incidence of war and the perplexities pertaining to politics from 1914-1920—so much more serious than are ordinarily experienced by the representative of the Crown in a dominion—it is true to say that Lord Novar enjoyed his term in Australia. He liked Australian life and was deeply interested in the people, in problems of all kinds, in public men of all parties, in industries, agriculture, afforestation, in the literature and art of the country, in the work of those who were doing important things and the ordinary vocations of the mass. Several times he expressed a wish to purchase a sheep station in Australia and live upon it; for sheep-breeding appealed to him strongly, and he once noted upon an official paper his pleasure at receiving a cablegram informing him that the prices realised by his Highland wool were higher than those ruling for Australian wool. But the responsibilities resting upon him in Great Britain made it impossible to remain away, and he returned home, to become in due course Secretary of State for Scotland (1922-1924), and Knight of the Scottish Order of the Thistle (1926). He never ceased to take the liveliest interest in Australian affairs, maintained correspondence with friends at the Antipodes, and delighted to entertain them at Raith, where his woods and gardens, his library and his splendid Raeburns, provided themes upon which he would talk with discernment and affection. One of the very last occupations of his life—only just finished before the end came at the age of 74—was to arrange his Australian papers amassed during the years of his devoted service as Governor-General of the Commonwealth.

BOOK II—THE STRESS OF WAR

CHAPTER VI

THE FORMATION OF ARMIES

THE military organisation of Australia, as it existed in August, 1914, was far from being as good as the professional officers would have liked it to be. An efficient piece of military organisation is one which is capable of immediate adaptation to war purposes, whether of defence or offence. Obviously the most perfect instrument for these purposes is an army fully trained, equipped, and officered. Australia had no such army. But she possessed a military system capable of rapidly creating one, a small corps of highly efficient officers trained in staff work, a very capable military college for the education of young officers, and a militia—until recent years voluntary, but then in process of change to a system of compulsory military training. These were the wheels, springs, and levers of the machine; but an observer would have been endowed with an optimistic temperament who would have considered it probable that this machine could be adapted for the creation of an army which within a few years amounted to nearly 330,000 men despatched overseas to take part in great campaigns. Few, indeed, would have thought it likely that the first contingents of a field force would be ready for embarkation within eight weeks after the outbreak of war. It is necessary briefly to sketch the history of this military organisation up to the time when the strain of a great effort was put upon it.

Prior to Federation, each State maintained its own small military forces, and there was no attempt to co-ordinate them or to pursue a common policy. On the eve of the establishment of the Commonwealth, the total strength of these State forces was slightly over 27,000. One of the objects of Federation was to provide for the defence of Australia, and for that purpose the Constitution, by section 51 (vi), gave to the Federal Government power over "the naval and military defence of the Commonwealth and of the several States, and the control of the forces to execute and maintain the laws of the Commonwealth."

Fortunately, the Federal Parliament approached the problems of defence with a minimum of party difference. On some principles there was anything but unanimity, but they were principles affecting system and method, and quite apart from the essential question of equipping Australia with a defence force which—within the limits of her financial resources, and always bearing in mind her place in a defensively powerful Empire—should be efficient and well directed. For example, there was a very sharp difference of opinion between those who supported the proposal of the Barton Government to continue the naval subsidy by which a squadron of the Royal Navy had been maintained upon the Australian station, and those who favoured the creation of a Royal Australian Navy. But the supporters of both projects aimed at efficient defence; the difference arose over the question as to which of these alternative methods was the more suitable for the Australian people. The Labour party, from the commencement of its career as a force in Federal politics, was resolutely bent upon building up a sound military and naval system; and the first proposition in favour of compulsory military service was made in the House of Representatives in 1902 by the Labour member for West Sydney, Mr. W. M. Hughes.

The Commonwealth assumed control of the defence forces in March, 1901. The development of the Royal Australian Navy, and its wartime expansion—from July, 1915, under a department of its own—have been fully dealt with in the volume of this series dealing with its operations.¹ Naval matters were in 1904 placed under the control of Captain Creswell,² and military affairs in 1901 under that of Major-General Sir Edward Hutton.³ Hutton was previously well known in Australia, having been military commandant in New South Wales from 1893 to 1896. Shortly before he was invited to take command of the Australian forces, he had been serving under Lord Roberts⁴ and

¹ Vol. IX, *The Royal Australian Navy*, by A. W. Jose.

² Vice-Admiral Sir William Creswell, K.C.M.G., K.B.E.; R.A.N. First Naval Member of Aust. Naval Board, 1911/19; of Silvan, Vic.; b. Gibraltar, 20 July, 1852. Died, 20 April, 1933.

³ Lieut.-Gen. Sir Edward Hutton, K.C.B., K.C.M.G., p.s.c. Commanded 21st Div., 1914/15. Officer of British Regular Army; b. Torquay, Eng., 6 Dec., 1848. Died, 4 Aug., 1923.

⁴ Field-Marshal Earl Roberts, V.C., P.C., K.G., K.P., G.C.B., O.M., G.C.S.I., G.C.I.E., V.D. Of Waterford, Ireland; b. Cawnpore, India, 30 Sept., 1832. Died of illness in France, 14 Nov., 1914.

Lord Kitchener⁵ in the South African War, in which he commanded the section of the army to which he had devoted most attention, mounted infantry. A good soldier, with wide experience and a gift for organisation, "Curly" Hutton, as military people called him, entered upon his task with characteristic enthusiasm. Substantially, he laid the foundations of the military system of the Commonwealth on principles which it was not afterwards found necessary to disturb. His period of Australian service, 1901-4, was marked by very useful work within the limits allowed to him by the law as it then stood.

The Defence Acts of 1903 and 1904 made all male inhabitants of the Commonwealth between the ages of 18 and 60 liable to be called upon to serve in time of war, but limited this obligation to service within the Commonwealth, and also exempted persons whose religious beliefs forbade the bearing of arms. These measures also improved the organisation by enabling Australia to be divided into six military "districts," each under "district commandants." After General Hutton left Australia in 1905, the chief command was placed in commission. A Council of Defence was constituted, and the control of the two services lay in the hands of boards of military and naval administration respectively. The chief professional officer in the military service was the Inspector-General, and in the naval forces the Director. An important step forward was taken by an amending Defence Act of 1909, which enabled a military college to be established. This was done on the advice of Lord Kitchener. The old homestead of Duntroon, within the Federal Capital area, was selected for this purpose, and a beginning was made with the training of young men for officers, in 1911. The course provided for a four years' period of training, with education in military history and science built upon a sound general education with a specialised trend in the direction of soldiering.⁶ The first batch of Duntroon cadets had not finished their training before the Great War broke out.

For some years previous to these improvements the military organisation did not satisfy those who thought seriously about

⁵ Field-Marshal Earl Kitchener, K.G., K.P., G.C.B., O.M., G.C.S.I., G.C.M.G., G.C.I.E. B. Ballylongford, Co. Kerry, Ireland, 24 June, 1850. Lost in sinking of H.M.S. *Hampshire*, 5 June, 1916.

⁶ See Vol. XII, plate 712.

the defence of Australia. It was felt that the country was not "pulling her weight" in the matter of military efficiency, and that the signs of the times indicated that the day was not very far distant when the safety of the Commonwealth would be imperilled and she would have to fight to maintain her freedom. The Australian National Defence League was formed in 1905 to impress public men and public opinion generally with the necessity for instituting a system of compulsory training. Sufficient impression had been made by 1907 to induce the Prime Minister, Mr. Deakin, who returned from an Imperial conference in London during that year, to accept the principle and embody it in a new Defence bill. How thoroughly non-partisan matters of defence policy were at that date is shown by the fact that when the Fisher ministry came in (November, 1908), the principle of compulsory military training was embodied, with even stronger provisions as to details, in its Defence bill. Mr. Deakin became Prime Minister again in June, 1909, whereupon the Defence bill, with modifications in the compulsory training provisions to make it more efficient, was again introduced and passed into law; and upon Mr. Fisher once more coming into office in April, 1910, it fell to his Minister for Defence, Senator Pearce, to bring the provisions into force.

Meanwhile Lord Kitchener had visited Australia at the invitation of the Commonwealth Government to advise upon the defences of the country. His report⁷ recommended that Australia should possess a trained military force of not less than 80,000 fighting men. The training should commence with the corps of junior and senior cadets, ranging from 12 to 18 years of age. Between the ages of 18 and 25 the cadets should pass into the citizen forces, and be trained under the direction of members of a staff corps of officers. After this period the trainees should pass into the reserve and continue in it till the 26th year. The "keystone of the citizen force" under the Kitchener scheme was the area officer, a permanent, professional, specially educated instructional officer placed in charge of a military area, and responsible within the area for the supervision of the registration of the male inhabitants liable

⁷ *Commonwealth Parliamentary Papers, 1910, Vol. II, pp. 83-104.*



II. A MEDICAL OFFICER (MAJOR F. A. MAGUIRE) EXAMINING RECRUITS
AT VICTORIA BARRACKS, SYDNEY, FEBRUARY 1915

Photo by The Sydney Mail

To face p. 194



12. ARTILLERYMEN IN TRAINING AT LIVERPOOL, NEW SOUTH WALES

Photo, by "The Sydney Mail"

To face p 195

for military service, and for their training and administration. "The selection and education of suitable men for these instructional duties," wrote the field-marshal, "will be the foundation of a proficient citizen force. They should be taken young, given a complete military education calculated to make them good leaders, strict disciplinarians, and thoroughly competent officers—brought up to realise that their career depends upon their ability to do their duty and on that alone." He insisted that "no social considerations, no influence, nothing but efficiency, should be allowed to affect the selection and promotion of these officers." It was for the training of these officers that the military college was to be conducted, and the projected training involved strict discipline and rigorous physical and mental work, calculated to develop personality and make the officer efficient in administration, in knowledge of military science, and in capacity to influence and command men. "Any political interference with the management of such institution, in which disciplinary training forms an important part, and the efficiency of which is so essential to the defence of Australia, should," Lord Kitchener urged, "be strictly avoided."

The Kitchener recommendations were brought into force by amending Defence Acts passed in 1910, 1911, and 1912; and if the outbreak of the war had been delayed two or three years, the Commonwealth would by that time have possessed a capably officered and trained army closely approaching the dimensions contemplated. The growth of military expenditure indicates that serious efforts were being made in that direction. In 1901-2 the military expenditure was only £780,260, whilst in 1913-4 it had reached £2,765,199; and owing to the very careful training of the new corps of officers the value obtained under the new system was likely to be materially greater than that under the old. But the army was, under the terms of the Defence Act, purely for service in Australia, and, in addition, as the compulsory clauses had only lately begun to operate, most of its members were very young. The war burst in upon the system like a vast flood smashing through a dam, and the organisation which had been created to train an army of citizen soldiers for home defence had to be rapidly converted

into one for enlisting an army, five times as large as Lord Kitchener had envisaged, for war service overseas—the Australian Imperial Force.

II

Throughout the war, however, the normal Australian Military Forces—the A.M.F., as they were usually termed in distinction from the A.I.F.—performed certain essential services in Australia. When on August 2nd, after warnings received from London on that and the two previous days, Senator Millen sanctioned the order for the measures laid down for a precautionary stage of danger of war, a number of battalions of the young citizen force were called out to guard magazines, munition factories, cable and wireless stations, important railway bridges, and other essential points, as well as wharves and all transports and other overseas ships; the citizen units of garrison artillery and engineers also were mobilised to supplement the permanent units in manning the coastal forts, searchlights, and other fixed defences. Camps had to be established for interned aliens, and guards provided. It was at first decided to call up the citizen units in rotation, allowing each to complete its annual training during its short tour of active home service. By the end of 1914 the naval situation so cleared that, in the opinion of the Chief of the General Staff⁶ and of the Minister, the need for many of these infantry guards ceased, and attention was therefore chiefly concentrated upon the coastal defences, and ships in port. At many ports, though never at Sydney, even the examination of vessels before entering port was from time to time dispensed with; but in the big seaports several hundred men were continuously required for guards on ships and wharves, and such guards had to be supplied wherever transports or overseas ships entered. The training of the home service forces—militia, senior and junior cadets, and rifle clubs—continued side by side with that for the A.I.F., except for some time after September, 1915, when dearth of instructors and the more urgent needs of the great numbers then in the A.I.F. camps

⁶ The chiefs of the General Staff during the war were Major-Gen. J. G. Legge, 1 Aug., 1914-22 May, 1915, and 1 Oct., 1917, to 31 May, 1920, Colonel G. G. H. Irving, 23 May-31 Dec., 1915; Brig-Gen. H. J. Foster, R.E., 1 Jan., 1916-30 Sept., 1917.

caused a temporary suspension. In the last months of the war the period of camp-training for the citizen forces was increased from eight to twenty-four days. But the citizen infantry battalions were no longer required for the ordinary guard duties. A special corps of men, rejected for A.I.F. service, had been raised, and to this was ultimately added a corps of garrison military police, consisting largely of men who had served in the A.I.F. In June, 1918, the number of home service troops actively employed in Australia was 9,215, and of permanent soldiers so employed 2,476. The guarding of ships and of wireless stations was about this time taken over by the navy, which raised a special corps for the purpose.⁹

In August, 1914, while the first contingent of the A.I.F. was being raised by its own staff, the small expeditionary force required for action against New Guinea and the other German possessions in the Pacific was organised by Colonel Legge¹⁰ and the staff of the A.M.F.,¹¹ and, while the ammunition, food, and other necessities for the A.I.F. when at the front were supplied, at Australia's cost, by the British War Office, the maintenance of the expedition in the Pacific was throughout the war the responsibility of the staff in Australia. The task was rendered easier by the fact that, beyond a few naval shells, artillery ammunition was not required. For convenience, the supply of the force was largely arranged for by the District Headquarters at Sydney.

The citizen garrison artillery and engineers¹² were throughout the war required for manning the coastal forts. From 1915 onwards, however, only skeleton garrisons were in general maintained; the citizen troops were demobilised, being merely ordered to remain in readiness to man the defences and, at first, forbidden to enlist for service overseas. The

⁹ This corps was known as the Naval Guard Section of the Royal Australian Naval Brigade. The home defence of Australia was largely naval, and a full account of the naval activities is given in *Vol. IX* of this series, pp. 375-383. Some of the data concerning the garrison artillery have been drawn from *Garrison Gunners*, by "Fronsac" (Lieut.-Col. W. S. Forsyth).

¹⁰ Lieut.-Gen. J. G. Legge, C.B., C.M.G. C.G.S., Australia, 1914/15 and 1917/20; commanded 1st Div., A.I.F., 1915, 2nd Div., 1915/16; Inspector-General, A.M.F., 1917; Commandant R.M. College, Duntroon, 1920/22. Of Sydney; b London 15 Aug., 1863.

¹¹ It included a naval battalion serving under the military commander. See *Vols. IX & X* of this series.

¹² The "A.G.A.," "A.E." The corresponding permanent forces were the "R.A.G.A." and "R.A.E."

latter condition, however necessary, inflicted something of hardship upon those who wished to share the full burdens of the war, and there began, among both the permanent and the citizen artillery, a movement for the formation from their ranks of a siege artillery brigade for employment at the front. In April, 1915, this was authorised, but the Minister for Defence decided that the permanent force should have preference for service in it. Later, a fairly general effort by the citizen artillery to enlist in the artillery for the 3rd Division, A.I.F., was stopped by a second mobilisation of the garrison artillery, which, in February, 1916, was again ordered to man the forts, owing to the supposed presence of a German raider in neighbouring seas. This mobilisation lasted from February to April, 1916, the chief responsibility for manning the Australian defences now falling upon citizen troops. In April the garrisons were, however, again reduced, only some examination batteries being maintained. The artillery and engineers were allowed to volunteer for service abroad, and the local units acted as training units for artillery reinforcements. In April, 1918, the realisation that the German raider *Wolf*, as well as the *Seeadler*, had in the previous year been operating in neighbouring waters, appears to have led to the artillery being remobilised and the forts again manned for a month. The examination service ended on 21st November, 1918.

III

The organisation already functioning was of very great value for the formation of the forces, separate though these were, for service overseas. The chief command of the existing force was exercised by the Military Board, but the most important officer in the system was the Inspector-General, who was independent of the Board, and reported to the Minister on the results of the Board's administration. At the outbreak of war this post was held by Brigadier-General Bridges,¹³ to be hereafter immortalised as the first commander of the

¹³ Major-Gen. Sir W. T. Bridges, K.C.B., C.M.G. Commandant, R.M. College, Duntroon, 1910/14; Inspector-General, A.M.F., June-Aug., 1914; commanded, 1st Div., A.I.F., 1914/15. B. Greenock, Scotland, 18 Feb., 1861. Died of wounds, 18 May, 1915. (A fuller biography is given in *Vol. I*, pp. 64-9.)

A.I.F.¹⁴ Bridges, Scottish born, but of Australian parentage on his mother's side, was a soldier of exceptional talents. He was a graduate of the Kingston Military College, Canada; had served in the South African War, and had more than a quarter of a century of military service to his credit when, in 1910, he was appointed Commandant of the new Australian Military College at Duntroon. No better choice could have been made. Bridges was deeply read in military history and a diligent student of military science. In the first report on the college which he had created, he said that whatever had been so far accomplished was due "to no Department or individual in particular," but had been made possible by the wide-spread interest taken in the proposal throughout the Empire. But Bridges was a man of personality, who could not undertake any kind of work without leaving his mark upon it; and unquestionably he stamped his personality upon Duntroon. There had not been time for the college to turn out graduates who had completed the full course of training by 1914, but nevertheless Duntroon had a proud record. Before the war ended it had sent 158 officers on active service of whom 42 were killed in action or died of wounds and 58 were wounded. The testimony borne by General Sir Ian Hamilton,¹⁵ who commanded the Gallipoli operations, to the value of these Duntroon officers, was eloquent. "It was not," he wrote, "until the bitter fighting and terrible trials of the Peninsula campaign at the Dardanelles that I fully realised the priceless value of what had been done at the Royal Military College. . . . Each Duntroon educated officer was literally worth his weight in gold."¹⁶

Bridges was promoted to the position of Inspector-General of the Australian land forces in 1914, and was engaged in conducting an inspection in Queensland when war became imminent. He was recalled to Melbourne, but had not arrived

¹⁴ Bridges was relieved on Aug. 15. The office of Inspector-General was unoccupied until 30 April, 1917, when it was filled by Maj.-Gen. Legge. From Nov., 1915, to Feb., 1916, Maj.-Gen. M'Cay acted as Inspector-General in Australia of the A.I.F.

¹⁵ General Sir Ian Hamilton, G.C.B., G.C.M.G., D.S.O. Inspector-General, Oversea Forces, 1910/15. Commanded Mediterranean Expeditionary Force, 1915. B. Corfu, 16 Jan., 1853.

¹⁶ Letter from Sir Ian Hamilton, printed in College report for 1915-16, p. 12. Hamilton had himself inspected the college in the early part of 1914, during a visit to Australia to report, at the invitation of the Commonwealth Government, on the development to date of the "Kitchener" scheme.

when the first steps had to be taken to prepare for war. The Chief of the General Staff, Colonel Legge, was at sea, returning from London, and the Secretary of the Defence Department, Commander Pethebridge,¹⁷ was also on his way from abroad. In the absence of these officers, the Acting Chief of the General Staff, Major White, and the Acting Secretary of the Department, Mr. Trumble, were the advisers on whom the Minister for Defence and the Government chiefly relied.

White was already a soldier of distinction; before the end of the war he was recognised as one of the most brilliant officers in the British forces. His organising ability won the admiration of commanders of the highest rank. Commencing his military career in the forces of Queensland, he served during the South African War as a light horse officer,¹⁸ and was afterwards afforded an opportunity of undergoing a course of special training at the British Staff College. He remained in Great Britain for some years after finishing his course, at the request of the War Office, his high personal and military qualities having attracted the attention of his superiors in Great Britain, who desired to retain him in that country. When he returned to Australia he was appointed Director of Military Operations, the work for which he was peculiarly fitted. Beneath a gentle mien and imperturbable politeness that might have evoked the envy of a bishop, Brudenell White maintained a soldier's keenness and firmness; the sword in the velvet scabbard. He was gifted with a swift and comprehensive intelligence, the faculty of fitting an assemblage of apparently incoherent parts into a piece of machinery that would work and do what it was designed for as soon as the button was pressed. Making plans for possible emergencies was his pleasure in quiet times, and indeed the only plan existing in 1914 for bringing an Australian overseas army into being and for immediate co-operation with New Zealand in the event of both dominions being called upon to take part in a war of imperial dimensions, was one which White had prepared. A curious combination of circumstances placed him at the Minister's side as his military adviser during those few days

¹⁷ Brig.-Gen. Sir Samuel Pethebridge, K.C.M.G. Secretary, Department of Defence, 1910/14; Administrator of German New Guinea, 1915/18. Of Brisbane and Melbourne; b. Brisbane, 3 Aug., 1862. Died of illness, 25 Jan., 1918.

¹⁸ A fuller account of the career of Sir Brudenell White is given in *Vol. I*, pp. 69-76.

of August before the return to Melbourne of General Bridges, when something had to be done at once; and Bridges, who knew the brilliance of the acting Chief-of-Staff, and at once chose him as his own chief-of-staff in the organisation of the A.I.F., heartily approved of his preliminary preparations.

The part played in war by the chief of a secretariat can never be so spectacular as that of a field officer, but the administrative work of Trumble, from the commencement of the war to its conclusion, was marked by steady efficiency and a capacity for smooth collaboration with other departments and their administrators which was grounded in a considerate and unselfish disposition. The demands upon him were severe. They involved intense application during very long hours, and an intimate knowledge of the details of the defence system and of the personal qualifications of the men who had to be selected for important work. Trumble's chief, Commander Pethebridge, returned in August, but on November 21st went to Rabaul where he shortly afterwards took over the appointment of Administrator of German New Guinea. Trumble then again became Acting Secretary to the Defence Department, becoming Secretary in 1918, and continuing at the head of the department till he was appointed to be Official Secretary for the Commonwealth in London in June, 1927. Member of a famous cricketing family, he "played cricket" in every sense of the phrase, and possibly few realised how much the smooth working of the administration was due to this fact. The Minister who had the closest acquaintance with his work during the war years was Senator Pearce, who wrote of him: "Invariably courteous and patient, self-sacrificing and zealous, he has perhaps borne more of the heat and burden of the day than any other officer, civil or military, with credit to himself and Australia."

An officer, who was from the beginning connected with the steps taken to galvanise the military machine into activity for defence and oversea service, gave the following account of the happenings. It commences with the events of Sunday, August 2nd, in Melbourne:

On Sunday morning I was walking across the Barracks square when the Acting Secretary (Trumble) called to me and said, "Get your Commandant and the defence papers and go up to the Prime

Minister's office." I found Colonel Wallace, and we got out the papers, and went up to the Federal Government offices, where we were joined by Trumble, Glasfurd, Forsyth, Laing and others, and had to wait till Mr. Cook got back from church. Then we went over the plans for the precautionary stage with him, and were instructed to enforce that stage. That meant calling out the Royal Australian Artillery to man batteries at each defended port, namely Thursday Island, Brisbane, Newcastle, Sydney, Melbourne, Hobart, Adelaide, Albany, Fremantle. The Royal Australian Engineers prepared to run their searchlights. Portion of the Kennedy Regiment¹⁹ was moved to Thursday Island from Townsville. That was the only body of citizen troops moved at this stage. Guards selected from the artillery and engineers were placed on duty at vulnerable places in all the defended ports.

There are two stages of the precautionary warning. One is while diplomacy is still at work and only implies that there may be trouble, therefore be prepared. Anything done under this instruction is quietly done, so as not to attract attention. The later warning denotes danger and calls for vigilance to guard against surprise.

It so happened that we had been working at defence schemes for the several military districts, and so, though the personnel of defence was at that time rather disturbed by changes, we were fairly ready for what had to be done.

Meanwhile Major White (afterwards Major-General Sir Brudenell White) Acting Chief of the General Staff, was chasing Senator Millen, Minister for Defence, who was engaged in electioneering. Ministers were gathered together next day in Melbourne, and further notices were sent to us. In conjunction with the Navy, we set up the examination service for ships entering a defended port, established a censorship on strictly British lines at the offices of the submarine telegraphs, called out garrison artillery and engineers of the citizen forces to supplement permanent artillery and engineers; and infantry in varying numbers were summoned for the land defence of fixed defences. Censorship was imposed in accordance with directions from Great Britain, and followed closely the instructions of the home authorities. It was at first designed only for cablegrams.

Balsillie, then federal wireless expert, soon took in wireless, and through this officer much valuable information reached the military authorities. Then the correspondence of alien enemies came in, and a mass of correspondence of all kinds, and finally the newspaper press. There were several changes in the Deputy Chief Censor, but on the whole, while following strictly the instructions of the London Chief Censor, considerable local latitude was allowed to the staff, and a great desire prevailed to work amicably with the newspapers and the public.

There was at the outbreak of war no special machinery for recruiting. Each military headquarters had its own provision for its day-to-day needs, and when the first rush came, in mid-August, there was only an improvised service. A doctor was added here and there, another and another orderly or warrant-officer, or a junior commissioned officer, a room or two, a few tables and chairs, a telephone, and so on. The only appeal to the public in the nature of propaganda was the bare notification from the Minister that volunteers were

¹⁹ Now the 31st Battalion.

wanted for an oversea military force, to apply at the nearest barracks. Such was the zest of the community, that these hasty and insufficient arrangements worked, and soon a stream of acceptable recruits was flowing through the barrack yards of every military headquarters.

IV

The preliminary steps which led to the organisation of the Australian Imperial Force can be detailed from the cablegrams which passed between the Imperial Government and the Commonwealth. As already mentioned, the first official intimation of the probability of war was received in Melbourne on July 30th, and further warnings came from London on August 1st, 2nd, and 3rd. On August 3rd the Commonwealth Government cabled to London the offer to despatch 20,000 men at the cost of the Commonwealth, and on the 4th and 5th received the replies quoted in the first chapter of this volume.²⁰

The cablegram of August 5th, advising that administrative steps for raising a force should be provisionally taken, suggested a doubt as to whether an expeditionary force would be "hereafter required," a somewhat surprising opinion, the optimism of which was not shared in Australia, where vigorous measures to equip an expedition had already been taken. On August 5th the Government cabled to London:

It would greatly facilitate preparation here if desired composition, divisional or otherwise, of expeditionary force is indicated.

On August 6th came the acceptance of the Australian offer in the form of the following cablegram:

His Majesty's Government gratefully accept offer of your Ministers to send force of 20,000 men to this country and would be glad if it could be despatched as soon as possible.

On August 7th came the reply to the enquiry as to the composition of the force:

Army Council suggest that a suitable composition of the expeditionary force would be two infantry brigades, one light horse brigade, and one field artillery brigade.

On August 8th the Minister for Defence, through the Governor-General, cabled:

Referring to your telegram dated 7th August, fully expected 20,000 to go, and on that basis have begun organising division on Home regular army establishment, with 3 brigades of 4 gun batteries, but without howitzer brigade and heavy battery. Also light horse brigade

²⁰ See pp. 10 & 11.

on Australian establishments, 2,226 personnel and 2,315 horses. Do you concur or still wish your proposal adopted? Anticipating embarking four to six weeks. Early answer requested.

The Imperial Government accepted the modification thus proposed, by a cablegram of August 9th, in these terms:

Your telegram August 8; His Majesty's Government will be glad to avail themselves of offer of one division and one light horse brigade in place of force suggested in my telegram August 7.

From this stage the matter passed out of the field of the Colonial Secretary, and on August 10th that Minister was informed that the Australian Minister for Defence would henceforth communicate direct with the Army Council as to details of a military character relating to the contingents.²¹

The reasons for the submission of the alternative scheme to that suggested from England were twofold. One was that Bridges and White had worked out a plan on the basis of an infantry division and a light horse brigade, and by the time of the receipt of the cablegram despatched from London on August 7th, the details were complete. The second and more important reason was that Bridges was most anxious that Australia should provide a complete division in order that it might fight as an undivided unit of the British Army. There was a risk that, unless this were done, the Australian brigades might be attached to different divisions, and the unity of the force thus be destroyed. The appeal to the Australian sentiment would have lost its national note if the identity of the army were swamped through splitting it into sections. In drafting the cablegram of August 8th, to the general's order, White knew that he was talking soldier's language to soldiers, and that the British Army Council would at once appreciate the point; as indeed they did.

On August 6th the Minister had given instructions for proposals to be submitted for the purpose of giving effect to the Government's offer, and by the morning of the 8th he was in possession of a statement from Bridges showing the proportion of the 20,000 men that each State was expected to furnish, the officers who were recommended as commanders of brigades, the method by which the regimental commanders and other officers were to be chosen, and the guiding principles

²¹ Cablegrams from Governor-General's official papers, Canberra.

by which the army was to be raised.²² The division was to be made up of three brigades and divisional units, consisting in all of 624 officers and 17,351 other ranks; total 17,975. The light horse brigade was to consist of three regiments, comprising, with other units, 104 officers and 2,122 other ranks; total 2,226. Grand total, 728 officers and 19,473 other ranks = 20,201. This force was to be raised on a territorial basis, the numbers from the several States to be roughly in proportion to their existing military establishment. The proportions originally suggested for the whole force were: 1st Military District (Queensland) 2,537; 2nd Military District (New South Wales) 7,076; 3rd Military District (Victoria) 6,563; 4th Military District (South Australia) 1,677; 5th Military District (Western Australia) 1,004; 6th Military District (Tasmania) 918 = total 19,775.²³

Bridges asked that he himself should be allowed to nominate the members of the headquarters staff and the brigade commanders. The brigade commanders were to nominate their own regimental commanders; these in turn were to suggest and secure their own subordinate commanders.

He anticipated that he could raise an army to consist, for about one half, of men in their 20th year or upwards, then serving in the citizen forces; the remainder would be men specially enlisted, who had served in the militia or who had had experience of war, in South Africa or elsewhere. District commandants were to call for volunteers and begin enrolling men as soon as possible. They were also to recommend camp sites and take all necessary steps for the accommodation and equipment of the force. Immediate steps were to be taken to obtain the necessary quota of vehicles and horses. The Navy Office was to be supplied with details regarding the transport required, in order that vessels might be secured and fitted.

Bridges recommended that the 1st Infantry Brigade (New South Wales) should be placed under the command of Lieutenant-Colonel MacLaurin²⁴; the 2nd Brigade (Victoria)

²² The original typewritten plan is in the Defence Department's records and is numbered A.E.F., 112.2.1. For further details see *Vol. I* of this series.

²³ The remainder—153 officers and 273 other ranks—were to be specially selected. The territorial proportions were afterwards altered, but the details of the alterations are not important because there was no need to adhere to them.

²⁴ Brig.-Gen. H. N. MacLaurin. Commanded 1st Inf. Bde., A.I.F., 1914/15. Barrister, of Sydney; b. Sydney, 31 Oct., 1878. Killed in action, 27 April, 1915.

under the command of Colonel M'Cay; the 3rd Brigade (composite) under the command of Lieutenant-Colonel Sinclair-MacLagan²⁵; and the divisional artillery under the command of Colonel Hobbs.²⁶ The light horse brigade was intended to be commanded by Colonel Chauvel,²⁷ who, however, was at this time in England, and the temporary command was to be entrusted to Lieutenant-Colonel Forsyth. These nominations were at once approved by the Minister, as was also the proposal that the whole of the cadets in the first class at the Duntroon military college should be forthwith commissioned and allotted to the arms for which they were recommended by the college commandant.

The scheme recommended that the rates of pay should be those laid down for the citizen forces as long as the officers and men remained in Australia, these rates to be increased by one fourth as long as they were absent from Australia. "Pensions"²⁸ were to be guaranteed to men enlisting and their dependants, with compensation for wounds, on the same scale as those granted to the imperial forces with whom the Australian troops would be serving. It was suggested that "the capital for this fund will probably be raised by patriotic funds," and the Minister shared this opinion; at this time no one had any conception of the enormous requirements of the eventual pension list nor was it realised to what an extent patriotic funds would be required for other purposes. The rates of pay eventually granted for privates were 5s. a day before leaving Australia, and 6s. a day thereafter, of which, however, the added shilling was "deferred," that is to say, was to be paid at the termination of a soldier's service. By a reform soon initiated, married men were compelled to allot at least two-fifths of their pay to their wives. If they had also a child, the allotment must be three-fifths. In addition, the Government made a separation allowance of 1s. 5d. daily

²⁵ Major-Gen. E. G. Sinclair-MacLagan, C.B., C.M.G., D.S.O. Commanded 3rd Inf. Bde., A.I.F., 1914/17; 4th Aust. Div., 1917/19; 51st (Highland) Div., 1919/23. Of Glenquech, Kirriemuir, Scotland; b. Edinburgh, 24 Dec., 1868.

²⁶ Lieut.-Gen. Sir Talbot Hobbs, K.C.B., K.C.M.G., V.D. Commanded 1st Div. Arty., A.I.F., 1914/16; 5th Aust. Div., 1917/18; Aust. Corps, 1918/19. Architect of Perth, W. Aust.; b. Chelsea, London, 24 Aug., 1864. Died, 21 April, 1938.

²⁷ Gen. Sir Harry Chauvel, G.C.M.G., K.C.B. Commanded 1st L.H. Bde., 1914/15; 1st Aust. Div., 1915/16; Anzac Mtd. Div., 1916/17; Desert Mounted Corps, E.E.F., 1917/19; A.I.F. in Egypt, 1916/19; Inspector-General, Australia, 1919/30; C.G.S., Australia, 1922/30. Of Clarence River district, N.S.W.; b. Tabulam, N.S.W., 16 April, 1865.

²⁸ This obviously means pensions in respect of those who lost their lives.

to the wife and 4½d. for each child; this allowance was increased by assistance from patriotic funds, to the amount of £1 10s. 11d. weekly for a wife, with considerable additions for children. The pay for a major-general in the A.I.F. was £1,200 a year, with certain allowances.

On August 15th, Bridges, with the rank of major-general, was appointed to the command of the Australian Imperial Force, as well as to that of the 1st Australian Division, which formed part of it. Assisted in both capacities by Major White as his chief-of-staff, he had already since August 8th been bending all his thought and energies to the equipment and transport of the whole force within the shortest possible time. The intention at this date was that the troops should complete their training in England; the order to land in Egypt was not given until the convoy was approaching European waters.²⁹

From August 8th, while Colonel Legge, who had resumed duty as Chief of the General Staff on the same day, undertook all other business concerned with the active military defence of the Commonwealth, Bridges and his staff concentrated on raising the A.I.F. The militia naturally proved a valuable recruiting fund and was drawn upon freely by the officers who were working under the direction of General Bridges' staff, although its primary purpose was home defence, and it was directed by staffs which looked to Legge for their orders.

Camps for training of A.I.F. troops were formed near all the great cities: the main ones eventually established were at Enoggera, Queensland; at Liverpool and Menangle, New South Wales; at Broadmeadows, Seymour, and Bendigo, Victoria; at Mitcham, South Australia; at Blackboy Hill, Western Australia; and at Claremont, Tasmania. Within a few days from the commencement of recruiting, these or others were the homes of the thousands of enthusiastic young men who had promptly responded to the call. Through the country there was unexampled feeling; as the Governor-General telegraphed to the King in a coded message the draft of which is in his own handwriting: "There is indescribable enthusiasm and entire unanimity throughout Australia in support of all that tends to provide for the security of the Empire in war."

²⁹ See Vol. I of this series, pp. 110-12.

Until these camps were ready for the reception of troops, use was made of temporary accommodation. In Sydney there was an instructional camp on Randwick racecourse, another in Rosebery Park, a third in the Royal Showgrounds. At Randwick the men slept rolled up in their blankets in the grandstand, and were awakened in the early morning by the thud of hoofs upon the turf as racehorses were brought out for their practice gallops. In Melbourne the Melbourne cricket ground and the racecourses at Flemington and Caulfield were similarly used, and there were also camps at Ballarat, Geelong, and Castlemaine. Exhibition grounds were used in Adelaide and Brisbane; Fremantle Park at Perth. At many other places in all the States camps sprang up where the sharp ring of the voice of the drill sergeant and the rattle of arms showed that the process of training an army was earnestly in progress. "This unmilitary nation," as Sir George Pearce called it, did seem to be putting itself into fighting trim.

As soon as recruiting commenced, it was seen that the state quotas suggested in the scheme outlined by General Bridges were unnecessary for the raising of the first 20,000. Early in September that number was in process of training. The officers watched the composition of the enlistments with keen interest. There was a good core of veterans, men who had fought in the South African War, or in the more recent Boxer campaign in China, and even a few who were in the Egyptian campaign of 1885, when New South Wales sent abroad the first contingent of Australian troops who took part in a war. Numbers of British time-expired soldiers also enlisted; the sound of the bugles was irresistible to ears attuned to them of old. It was remarked that a very large proportion of recent British immigrants presented themselves for service as soon as the news came that the old country needed them; and there were very many instances of men of this class who, on being rejected by the Australian medical officers, paid their fares to England and offered themselves there. There was no class in the community that did not provide eager recruits. Browned men from the backblocks jostled university students still in the midst of their courses of study; miners and factory hands enrolled alongside the sons of squatters; fathers and several sons.

presented themselves together.³⁰ The list of occupations showed a variety as wide as that of the callings available in town or country. There were recruits who were well advanced in years, certainly beyond the age limit then fixed. But hard men who had lived a healthy open air life made good soldiers, and many men passed the physical test whose birth certificates would have suggested a doubt of their still being fit for the strain of war. It is equally certain that hundreds who were below the military age enlisted and were passed for service, long, lean, sinewy fellows whom nothing could prevent from being "in it," and for whom the mild mendacity of an overstatement of their age last birthday was perpetrated with a prompt appearance of conscious virtue.

³⁰ Most such fathers at that time were obviously ruled out by their age, but a number afterwards enlisted by understating it. The rush to enlist has been vividly recorded by Mr. T. W. Heney: "The young men of the universities, the lads of the greater public schools, of the state high schools, and of the primary schools, the students in private and religious houses of education, rushed to the colours. From many of these institutions both pupils and masters enlisted, and the work of the schools was interrupted or dislocated. It proved necessary to frame special official regulations to prevent the enlistment of minors without their parents' knowledge and consent. From the factories and shops groups of comrades enlisted in a body. Fathers and sons, brothers, uncles and nephews, brothers-in-law came up together to the barracks, and some of the bitterest moments of those early days of war, previous to the graver tragedies of death and disablement, were those when the medical examination, then extremely exacting, parted fathers and sons, or other comrades. Many a man stumbled out of the barrack gates unable to answer the greetings of his friends, with unaccustomed tears in his eyes, as he knew himself rejected, while he left behind to the chances of war a son or some mate dearest to his heart. The public services and the professions were suddenly embarrassed by the enlistment of their members. Trades, manufactures, businesses suffered in the same proportion. From station and farm, from camps of drovers, shearers, tank-sinkers, and fencers, from survey parties and gangs of railway labourers, from mining camps and prospectors' parties, from river-men and opal-gougers, from groups of rabbits and kangaroo-shooters, from carriers and motor-men, from all sections of the distant and isolated labour of the Australian back country, the enlistment offices received splendid material, but in such quantity as endangered harvest and wool-clip. Numbers of pastoralists sent not only as many of their sons as could pass the doctors, but also numbers of their employees, often equipping them. Numbers of young men, rejected under the then exceptionally rigorous medical tests, but refusing to rest under the stigma of cowardice or indifference, formed an association, and wore on their coat-lapels a badge to show that they had volunteered. More than a few young men who appeared indifferent received white feathers by post, or the cold shoulder in public, from girls or women who had been their friends. In some instances clubs and athletic bodies barred out members of military age who showed no disposition to shoulder military duty. Unhappily, many an injustice was thus committed, and frequently young men who would have given much to have been able to serve, but for some genuine reason were unable, silently endured long misrepresentation and affront. Therein lay one of the defects of the voluntary system; another—as it was to be discovered—lay in the disproportionately heavy toll of the young and the patriotic." (*See Vol. XII, plates 3-5.*)

Of the eagerness to enlist the following are typical instances: R. H. Hooper, a young farmer of King Island, being unable to find anyone to take over his land, simply barred the door of his house, and left his property until after the war. He returned to it in 1919 as a captain with a military cross. R. Morgan, a boy of 18, was running a back country mail three times weekly between Turondale and Sofala, N.S.W. His sister, a girl of 14, relieved him of the contract so that he could join up. After having been wounded on three occasions, he returned as a corporal with a Military Medal.

The enthusiasm spread to all parts of Australia. The newspapers of the time teemed with reports from inland towns, describing public meetings held to encourage recruiting and accord civic farewells to the young men who left for the capital cities to enlist. Thus, there was "unparalleled enthusiasm" at Albury when a company of volunteers left the town. Broken Hill sent its first 100 amidst the warmest expressions of encouragement. Meetings at Dubbo, Wagga Wagga, Armidale, and Brewarrina, in Gippsland and the Mallee, on the Darling Downs, and the goldfields of Western Australia, told the same tale. In about a month recruiting passed the figures provisionally suggested. On the first day when the enrolment books were opened in Sydney, the Victoria Barracks were besieged by an eager crowd of men who, as the chronicler of the day recorded, "fought their way to the enrolling officers." Over 3,600 men volunteered on August 11th in that city. In Victoria there was equal avidity. In Queensland "heavy enrolments" were reported. In Perth it was stated that there were "more trainees than were wanted," the supposition then being that the stipulated State quota implied that no more than that number would be taken. According to the newspapers, by August 20th more than 10,000 men had enrolled in Sydney; and the approach to that number was celebrated on the previous day by a march through the city, the troops under training wearing their full accoutrements; and as they swung through the streets headed by their band playing "Advance Australia Fair," tens of thousands of people cheered them. In Melbourne there were "wild scenes" when 750 men in training marched through the city to entrain for the camp at Broadmeadows (August 21st).

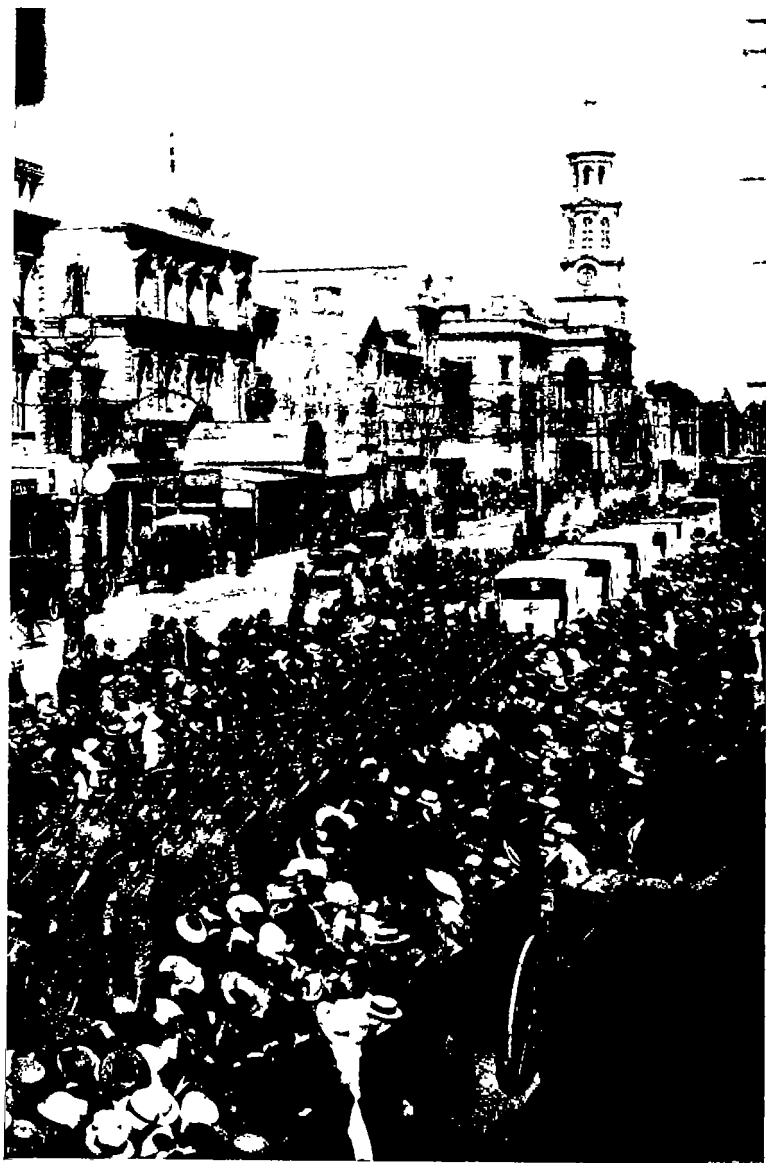
The first rush of volunteers naturally came from the great towns, and they consisted very largely of men who had war experience or men with some amount of military training. The country men began to roll up in large numbers in the second and third weeks of recruiting; and the critical judgment of the officers pronounced them "excellent material," as might have been expected. The light horse officers especially had their eyes upon them, and wished that they had, whenever possible, brought their horses with them. It was therefore



13. TROOPS MARCHING THROUGH BRISBANE, SEPTEMBER 1914

Aust War Memorial Collection No. H2196

To face p. 210.



14. A MARCH THROUGH ADELAIDE

Photo by W. S. Smith, Adelaide

To face p 211

published that men who wished to enlist in the light horse might bring along their horses, which the Government would buy at £16 per head, "greys, piebalds and washy chestnuts to be rejected."

The enrolments at some of the capitals were soon, indeed, so far in excess of the number required for the Australian Imperial Force as originally planned by General Bridges, and, apparently, the authorities were so optimistic at that time about the probably short duration of the war, that the official attitude became somewhat discouraging. Men were rejected because they had not had any previous military training, though they were physically such excellent material for soldiering that a very little handling by experienced sergeants-major would have made them fine troops. It was, in fact, complained against this tendency to exclude, that men were rejected who were "of the very type that could be licked into shape in a week." As early as August 17th, it was announced in Sydney that "more men had applied for admittance to the light horse than could be taken."

The Minister for Defence decreed (August 18th) that "only single men need apply," and, although this order was countermanded three days later, it had a distinctly damping effect upon the recruiting enthusiasm. The medical inspection, too, was most rigorous. A man had to be a perfect specimen of manhood to pass the doctors, because they insisted upon standards that were admittedly to a large extent artificial. It is not wonderful that comments were made in Australia, in Egypt, and afterwards in England, upon the superb physique of those men who formed the first 20,000 of Australia's army, for the doctors who passed them seemed to judge them as though they were selecting models for a Rodin or a Bertram Mackennal rather than troops for war.³¹ Very trifling physical defects, or slight doubts, were a ground for rejection. These standards were not demanded later, nor were they

³¹ For the standards in the A.I.F., see p. 439

It happened that the Anzacs came under the observation of two eminent men of letters, both, by virtue of their artistic training, close observers of human nature; and both bear eloquent testimony to the impression made upon them by the physique of these splendid men. Mr. Compton Mackenzie, in his *Gallipoli Memories* (1929), pp. 80-1, writes: "Much has been written about the splendid appearance of those Australian troops; but a splendid appearance seems to introduce somehow an atmosphere of the parade ground. Such liteness and powerful grace did not want the parade ground, that was to take it from the jungle to the circus. Their beauty, for it really was heroic, should have been celebrated in hexameters not headlines. As a child I used to pore for hours over those illustrations of Flaxman for Homer and Virgil which simulated the effect of ancient pottery. There was

necessary, but in August, 1914, there was a general belief that not more than the 20,000 would be required, and so many good men were offering that the doctors thought they could afford to reject all but the best. As many as 3,000 out of 10,000 were set aside, on medical or other grounds, though, as for the medical reasons, army doctors freely admitted that the percentage of rejections was due to the passing out of hundreds of men whom they knew to be absolutely fit for field service. The prevalent notion that this contingent would complete Australia's contribution of manhood to the demands of war gave grounds for the statement published towards the end of the month that "the end of the volunteering is now in sight."²²

Not till the end of August did the Government make the announcement that larger forces would be required. On the 30th Mr. Cook stated that the struggle in which the British Empire was engaged promised to be "of considerable duration." National existence was at stake, and Australia must be prepared to take her share of the burden without flinching from sacrifice. "We have nearly completed the arrangements for the despatch of the expeditionary force of 20,000 men," said the Prime Minister; but "our efforts must not cease with the despatch of this force." The Secretary of State for War, Lord Kitchener, was enrolling volunteers for further formations to supplement the army then fighting in France, and Australia would fail in her duty unless she followed along the same lines. "With this object, the Government proposes to call for volunteers for further contingents."²³

not one of those glorious young men I saw that day who might not himself have been Ajax or Diomed, Hector or Achilles. Their almost complete nudity, their tallness and majestic simplicity of line, their rose-brown flesh burnt by the sun and purged of all grossness by the ordeal through which they were passing, all these united to create something as near to absolute beauty as I shall hope ever to see in this world. The dark, glossy green of the arbutus leaves made an incomparable background for these shapes of heroes, and the very soil here had taken on the same tawny rose as that living flesh; one might have fancied that the dead had stained it to this rich warmth of apricot." Mr. John Masefield also wrote, in his *Galkpoh* (1916), p. 19: "The Australian and New Zealand Army Corps and the Royal Naval Division, who together made up more than half the army, were almost all men who had enlisted since the declaration of war, and had had not more than six months' active training. They were, however, the finest body of young men ever brought together in modern times. For physical beauty and nobility of bearing they surpassed any men I have ever seen; they walked and looked like the kings in old poems, and reminded me of the line in Shakespeare: 'Baited like eagles having lately bathed.' As their officers put it, 'They were in the pink of condition and didn't care a damn for anybody.'" Mr. C. E. Montague, Mr. H. W. Nevinston, Mr. John Buchan, Mr. John Galsworthy, and others have spoken of them to much the same effect.

²² *The Sydney Morning Herald*, Aug. 29.

²³ *Melbourne Argus*, Aug. 31.

V

It was not a feature of General Bridges' plan that the training of the troops should be completed in Australia. His desire was that they should be removed as soon as possible to England, where the training would be completed, and the division and light horse brigade then sent to the front as soon as they were required. Towards the end of August, therefore, enquiries were made as to whether it was advisable to allow the transports to leave Australia.

The delay which then occurred, owing to the existence of a German squadron "in being," became a subject for comment—largely based on incomplete knowledge—among naval writers of England, France and Germany. The episode, its causes, and its effects have been fully dealt with in *Volume IX* of this series.³⁴ The delay, vehemently opposed by General Bridges, ended when the German squadron was heard of from Tahiti, which it had bombarded on its way to South America. Orders were at once given that all ships should concentrate at Albany without delay, there to await the New Zealand troops, who were being convoyed to that rendezvous by the British cruiser *Minotaur* and the Japanese cruiser *Ibuki*.

The army which concentrated at Albany towards the end of October was one of which any country must have been proud. It was for the most part an army of young men, with a good seasoning of veterans, and nearly two-thirds had had some military training before enlistment. It was an army of picked men, admitted to the ranks after a process of discrimination much more rigorous than was necessary to ensure physical efficiency. Hard training in the camps had stiffened their fibre. On the occasions when there had been route marches in the streets of the cities, the soldierly bearing and vigour of the men had excited comment from experienced critics. There were two such memorable marches in Melbourne (September 25th)³⁵ and Sydney (October 6th), at both of which the Governor-General took the salute—from the front of Parliament House in the former city, from a saluting base in Macquarie Street in the latter. With the eye of an old officer of the Guards he scanned the ranks and declared that

³⁴ And, from the military standpoint, in *Vol. I* (pp. 87-94).

³⁵ See *Vol. XII*, plate 40.

these were sound fighting men. In a message issued after the Melbourne march, he said: "The Governor-General was most favourably impressed by the steadiness of the light horse, the swinging step of the infantry, and the physique of the whole force on the march through Melbourne this morning. After visiting the four main camps in Australia and inspecting the men, he has formed the opinion that whether in camp or on parade the Australian troops appear to great advantage, and inspire full confidence."

It was a cold, grey, drizzling day on which that march took place, a day irresolute as to whether it belonged to the winter which still kept the snows upon the mountains or to the spring which had apologised for intruding on a few September days and then bashfully retired before the strident rush of the chill wind. But the streets of Melbourne were packed with thousands of people to see the Victorian regiments of the newly-raised army march through. The long, straight line of khaki spiked with gleaming bayonets, the squadrons of mounted troops on their nuggety, shaggy horses, the rattling artillerymen on the gun-carriages, looked hard, wiry, tough, and fit. Old soldiers pronounced that they had the professional cut in their marching and demeanour; there was no trace of the volunteer about them—the "not-quite" which makes all the difference. The prevailing impression was one of athletic youth, manhood in the morning of life when the springs are tense. The crowds who watched them march were curiously silent. There was little cheering, as though the military spectacle, fine as it was, and the thrilling martial music of the bands, evoked reflections upon the destiny of these strong young men who had left the Gippsland hills and the Goulburn valley orchards and the wheatfields of the Wimmera and the red-soil sheep-stations of the western plains to hurl themselves into the vortex of war. But when the column rounded the Collins-street corner and headed for the point where the tall Governor-General stood at the flag to receive the salute, there was a curiously moving scene as thousands of little union jacks fluttered above the wedged masses of people and at last a wave of emotion broke in cheers that drowned the music of brass and drums. And so they passed, with their nobly gallant bearing and their rich blood; and in seven months they were scaling the heights of Gallipoli.

VI

In August the Australian Government was invited by the British to appoint a war correspondent to accompany its troops oversea, presumably in a similar capacity to that of the official "eye-witness" who at that time was contributing from the Western Front articles for the British press. The new Minister for Defence, Senator Pearce, on coming into office, decided to take advantage of this offer, and, in accordance with the principles of his Government, invited the journalists' trades union (the Australian Journalists' Association) to recommend a pressman for the position. By ballot among its members throughout the Commonwealth the association selected Mr. Bean,³⁶ a Sydney journalist, Mr. Murdoch,³⁷ of Melbourne, coming only a few votes behind. The British Government had intimated that the correspondent might not be allowed access to the region of operations, but fortunately the prohibition thus envisaged was never enforced.³⁸ Throughout the war Mr. Bean accompanied the Australian infantry, attached first to divisional and later to corps headquarters. His cables and letters were distributed free to the Australian press by the Australian Government, the cables to the British press also. Senator Pearce having from the first expressed the Government's hope that the official correspondent might subsequently write the history of the part played by the Australian forces, it became evident in 1917 that the increasing duties were beyond the power of a single pressman. Accordingly Mr. Gullett,³⁹ a leading journalist then serving as a gunner in the Australian artillery, was attached to the light horse in Palestine, first as their historian, charged with the collection of war records, and later as war correspondent also; and Lieutenant Cutlack,⁴⁰ an Australian journalist in the British

³⁶ Dr. C. E. W. Bean. Official War Correspondent, with A.I.F., 1914/19; Official Historian, and Member of Aust. War Memorial Board, since 1919. Author and journalist; of Sydney; b. Bathurst, N.S.W., 18 Nov., 1879.

³⁷ Sir Keith Murdoch. Managing Director, *The Herald and Weekly Times*, Melbourne. Director-General of Information, 1940. Journalist, of Camberwell, Vic., b. Camberwell, 12 Aug., 1886.

³⁸ The Admiralty's permission to report the Landing operations, however, only reached the Australian correspondent in Gallipoli a week after the Landing had taken place.

³⁹ Capt Hon Sir Henry Gullett, K.C.M.G. Official War Correspondent with A.I.F. in Egypt and Palestine, 1918. Member of Aust. War Memorial Board 1920/40; M.H.R. 1925/40. Minister for Trade and Customs, 1928/29, 1932/33, for Trade Treaties, 1934/37, for External Affairs, 1939/40, for Information, 1939/40. Journalist, of Sydney. b. Harston, Vic., 22 Mar., 1878. Killed in aeroplane crash 13 Aug., 1940.

⁴⁰ F. M. Cutlack, Esq. Served in Royal Field Arty., 1914/16; Intelligence Officer, 3rd Aust. Div., 1917; Asst. Official War Correspondent, with A.I.F. in France, 1918. Barrister and journalist, of Renmark, S. Aust., and Sydney; b. Lancing, Sussex, Eng., 30 Sept., 1886.

Army, was appointed as Mr. Bean's assistant on the Western Front.⁴¹ Throughout the war—and towards its end in an increasing degree—war correspondents of Australian papers or groups of papers were permitted to visit the front at intervals. The most notable were Messrs. P. F. E. Schuler, Keith Murdoch, and Gordon Gilmour. By their own wish, and with the consent of General Birdwood,⁴² these visits usually took place during active military operations.⁴³

The system of official press correspondence, on which Australia throughout the war thus largely relied, had the advantage of eliminating any danger of leakage of military information through the eagerness of competing journalists. It may further be claimed that the official correspondents succeeded well in their chief purpose of supplying a fairly regular stream of almost completely accurate news. From the earliest days in Gallipoli the confidence of both staff and troops had been successfully gained, with the result that throughout the war every official correspondent was left entirely free to go unattended wherever he wished—from Corps Headquarters to No-Man's Land—within the A.I.F. area. The same freedom was afterwards accorded to the official photographers, who worked under the chief correspondent's directions. The opportunities of the correspondents for ascertaining the truth were thus quite unequalled, and it is safe to say that no war journalism was more truthful, a quality recognised—and therefore valued—much more generally by the troops themselves than by the public. The system was undoubtedly favoured by the troops and by the military leaders, and, not unnaturally, the official correspondent did

⁴¹ Messrs. Bean and Cutlack, when serving as war correspondents, were civilians, and, though "graded" (for precedence in mess, billeting, etc.) as captains, had no military rank or title. This was due to the advice of Generals Birdwood and White, who held that the war correspondent, though bound by military control, should preserve his independence and be free, in emergency, to criticise the conduct of themselves and others without any breach of loyalty. Mr Gullett, in Palestine, was made a captain. At the end of the war Mr. Cutlack was succeeded by Lieut. L. G. Short (Hawthorn, Vic.), of the 23rd Battalion.

⁴² Field-Marshal Lord Birdwood, G.C.B., G.C.S.I., G.C.M.G., G.C.V.O., C.I.E., D.S.O. Commanded I Anzac Corps, 1914/18. A.I.F., 1915/20, Dardanelles Army, 1915, Fifth British Army, B.E.F., 1918/19; Northern Army, India, 1920/24; Indian Army, 1925/30. B. Poona, India, 13 Sept., 1865.

⁴³ The chief accredited representatives in this category were Messrs. A. Barton ("Banjo") Paterson (*The Sydney Morning Herald*) in Egypt; P. F. E. Schuler (Melbourne *Age*) and C. P. Smith (Melbourne *Argus*) in Egypt and Gallipoli; K. A. Murdoch (Sydney *Sun* and Melbourne *Herald*) in Gallipoli and on the Western Front; Gordon L. Gilmour (Aust. Press Association), Western Front. In addition, articles from Major Oliver Hogue ("Trooper Bluegum") in Gallipoli and Palestine were published, after submission to the censors in Australia, but not at the front; in the absence, during a great part of the war, of an accredited correspondent with the light horse, this able writer performed a most valuable service, although the system which permitted it was irregular and possibly dangerous.

not press for its modification. Nevertheless, the public interest would probably have been better served if, in addition to this service, more encouragement had been given to newspapers to send their own representatives. These would have been subject to the careful control under which British correspondents served. The despatches of the official correspondents would still have carried the stamp of authenticity; but the Australian people would have received much ampler and more varied news of their troops and of the course of the war.

The supply of photographs and cinema films of the Australian troops in France and Palestine was, until late in 1916, limited to those taken by the British official photographers, the objection of the British command to the appointment of official photographers for the A.I.F. being only then overcome. The Australian photographers, the chief being Captains Hurley⁴⁴ and Wilkins,⁴⁵ eventually established a most efficient system, but the distribution to Australia remained inadequate. No photographic news-service except the official one would have been tolerated by the military command, nor probably would it have served a useful purpose, owing to the persistent tendency of many press photographers to fake their pictures. On the other hand, in the supply of written news, although the official system adopted for the A.I.F. functioned well, the nation would have been still better served if the provision had been continuously supplemented by a parallel stream of private journalism.

VII

In the route marches which took place in all the Australian capitals, the military bands made troops and public familiar with a few melodies which became very popular throughout the war. Easily the favourite march of the A.I.F. was "Colonel Bogey." The soldier also likes to sing on the march. The rhythm of the tune gets into his feet and carries him along, and the lilt of the marching song keeps him amused. Some of the most enduring songs in the world are soldier songs, notably the French *Malbruk s'en va-t-en guerre*, a survival from the age of Louis XIV which, later set to a

⁴⁴ Capt. J. F. Hurley. Official Photographer with A.I.F., 1917/18. Electrical instrument maker and photographer; of Sydney; b. Sydney, 15 Oct., 1887.

⁴⁵ Capt. Sir Hubert Wilkins, M.C. Official Photographer with A.I.F., 1917/18. Photographer and explorer; of Adelaide; b. Mt. Bryan East, S. Aust., 31 Oct., 1838.

(A detailed account of the work of the Australian Official Photographers is given in the preface to *Vol. XII*.)

wide variety of verses in many languages, is known all the world over; and "The Marseillaise," which was originally the marching song of the battalions from the south during the storms of the French revolution. The Australian soldier had his own songs, and it was from Australia that some of the most famous of these came, although the majority were picked up in France from the British army and merely adapted by the changing of a few words or the writing of fresh verses. These were often parodies of hymns or popular songs whose tunes were well known. A certain number of the original songs, as well as of the adapted ones, survive in printed cards and little pamphlets used at regimental gatherings. There is, for example, a song-card of the 22nd Battalion of the A.I.F., containing a battalion song and a separate song for each company; and there are little song books containing snatches of verse which went to familiar tunes. Church hymn tunes would do if nothing more appropriate was available, as for example a wail from Egypt lamenting that "Ham and eggs we never see, Nor sugar in our tea."

A song to a lively quick-step, which emerged before the first contingent sailed from Australia, and maintained its popularity throughout the war, was "Australia will be there," by "Skipper" Francis.⁴⁶ The verses possessed no poetic distinction, but the swinging tune suited the martial mood of the moment and, set to the blare of brass bands and the roll of drums, it sung itself into favour, and, was, perhaps, the most popular of all the soldier songs to which the Australian troops gave tongue:

There has been a lot of argument going on they say,
As to whether Dear Old England should have gone into the fray,
But right thinking people all wanted her to fight;
For when there's shady business, Britannia puts it right.

Rally round the banner of your country,
Take the field with brothers o'er the foam;
On land or sea, wherever you be,
Keep your eye on Germany.
But England home and beauty have no cause to fear,
Should Auld acquaintance be forgot,
No! No! No! No! No! No! Australia will be there,
Australia will be there.

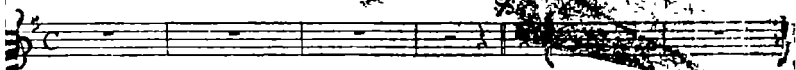
⁴⁶ W. W. Francis, Esq. Professional singer and swimmer; of Newport, South Wales, and Hobart, Tas.; b. Monmouthshire, 16 May, 1886. (Mr Francis was rejected for service on account of a deformed foot)

FOR AULD LANG SYNE AUSTRALIA WILL BE THERE.

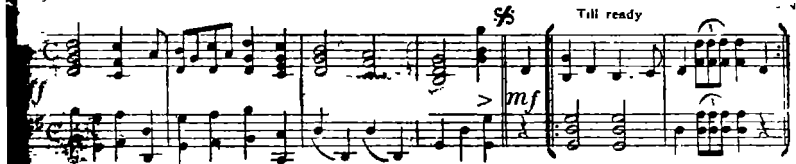
Tempo di Marcia

Words and Music by
(Skipper) W. W. Francis

Intro.



Till ready



VOICe

There has been a lot of ar-gu-ment go ing on they say As to
You've heard a bout the "Em den" That was crusing all a round It was
V ien Old John Bull is threat-ened, By Foes on land or Sea, His Co-



who the Des. Old Eng- land should have gone in to the fray found But
ank ing Brk ish ship- ping where ere it could be told
lo nial Son are rea- d at his side will be From



15 "AUSTRALIA WILL BE THERE"

The author, Mr W. W. Francis, writes "The song came into my brain in King Street, Sydney, on Saturday August 8th, 1914, and I sang it in public for the first time on Saturday August 15th, in the Gaiety Theatre, Melbourne. I sang the first week from a manuscript copy, and then got a cheap edition printed because of an immediate demand. As soon as the *Sydney Em den* scrap was cabled, I substituted the words (in the copy here printed) in place of politicians' names which were put in the earlier editions, and the enclosed is one of the first copies printed in its complete form. It did duty over many thousands of miles in camps, recruiting platforms, hospitals, and fairs." This copy is now in the Australian War Memorial collection.

Right... think - ing people, All want - ed, her to fight, For
 one fine sun - mer morning, Aus - tra - lia's a - swer came, The
 Al - ric, in - dia, Canada, Come men to do or die, And

And put the foe to shame, Aus - tra - lia's Bat - tie cry.

CHORUS

Ral - ly round the banner of your coun - try, Take the field with brothers'

foam . . . On land or sea, where ev - er, you be,'

Keep your eye on Ger - ma n Eng - land home and Beauty ...

have no cause to fear ... Should Auld ac - quain - tance

be for - got No! No! No! No! No! Aus - tra - lia will be

1st time.

2nd time.

DC

There ... Aus - tra - lia will be there ... there ...

DC



16 TROOPS MARCHING UP COLLINS STREET, MELBOURNE

Photo by "The Weekly Times," Melbourne

The whole history of the A.I.F. was written in its soldier songs. Egypt inspired this one, among others:

They took me out to Pharaoh's land
 To train me for a soldier,
 I got fed up with mummy's sand
 While training for a soldier.
 I marched through deserts day and night
 'Twas said 'twould fit me for a fight,
 My feelings felt it wasn't right,
 And so my feet grew colder.

Good-bye Sydney, Sydney, good-bye
 Sydney, Sydney,
 Good-bye Sydney, good-bye,
 My heart is aching, aching,
 My back is breaking, breaking,
 Good-bye Sydney, good-bye.

The campaigns in France produced a fresh crop which, although properly the possession of the British troops already there, attained great popularity in Australia as well. The Australian soldier was not responsible for the parentage of "Mademoiselle from Armentières" (he pronounced her place of origin as "Armenteers") but he adopted her, and frequently added a rhymed couplet to the tale of her doings:

Mademoiselle knows how to love, parley-voo!
 Mademoiselle knows how to love, parley-voo!
 She calls the diggers "ma chérie,"
 You get a good time in gay Páree,
 Inky-pinky parley-voo!

In all the soldier songs, the melody was more important than the words, which varied often from company to company, and were written to fit occasions and circumstances. A few rhymes and a chorus set to a tune that could be easily remembered and fitted the rhythmic beat of marching feet would serve the purpose. To many of the songs there was
 • no printed music.

Apart from these, a number of songs designed to arouse patriotic feeling or express soldier sentiment, were published in ordinary sheet-music form in Australia during the war. Those possessed by the Australian War Memorial include the following: "The Appeal," a national recruiting song, by Charles R. Brookes;⁴⁷ "Australia, Goddess of the Southern Sea," by R. J. Elliott;⁴⁸ "Boys of the Dardanelles," by G. Marsh

⁴⁷ C. R. Brookes, Esq. Life Assurance Official; of Carnegie and Ivanhoe, Vic.; b. Auckland, N.Z., 9 Sept., 1884.

⁴⁸ R. J. Elliott, Esq. Teacher of music; of Carlton, Vic.; b. Walhalla, Vic., 10 March, 1866. Died 9 Oct., 1932.

Little;⁴⁹ "The Boys of the Dardanelles," words by H. Taylor;⁵⁰ music by C. W. MacCarthy;⁵¹ "Britannia now is Calling," a patriotic marching song, by H. T. Davis;⁵² "Call to the Colours," words by "Myee," music by A. Rosenblum;⁵³ "Daughter of the Empire," by W. Bass Hodge;⁵⁴ "Heroes who never turn back," words by "Northcote," music by George Tutton;⁵⁵ "My old Bushland Home in Australia," by Corporal N. McBeath;⁵⁶ "Our boys you bet!" by C. W. MacCarthy; "Tommy Brown," a soldier song by Margaret Coney;⁵⁷ "Welcome Home, Brave Boys, Welcome Home!" words by J. D. Cousins;⁵⁸ music by Robert Turner;⁵⁹ "Wide o'er the Empire," by W. C. Chambers;⁶⁰ "Rally Round Australia's Flag," words by Lyon Wise,⁶¹ music by Henry C. Work;⁶² "So-Long," words by John Barr,⁶³ music by May Summerbelle;⁶⁴ "Wanted for the Fighting Line," words by Will M. Fleming,⁶⁵ music by May Summerbelle.

VIII

The conveyance of an army of 20,000 men, with horses, baggage, equipment, forage, stores and all medical and other requirements, on a 12,000 miles voyage, raised problems of no little magnitude. The Commonwealth owned no ships which

⁴⁹ G. Marsh Little, Esq. Vocalist; of Sydney; b. Mudgee, N.S.W., 4 May, 1886.

⁵⁰ A. H. Taylor, Esq. Librettist; of Sydney, b. Kidderminster, Eng., 10 Dec., 1871. Died 30 March, 1923.

⁵¹ Dr. C. W. MacCarthy. Medical practitioner; of Sydney; b. Fethard, Tipperary, Ireland, 31 March, 1848. Died, 7 June, 1919 (Dr. MacCarthy, who as a young man served with the French in the war of 1870-1, also wrote the words and music of "The Toast is Anzac, Gentlemen.")

⁵² H. T. Davis, Esq. Advertising agent; of East Malvern, Vic.; b. Adelaide, 13 Oct., 1869.

⁵³ A. Rosenblum, Esq. ("Myee"). Journalist; of Melbourne. Died about 1924.

⁵⁴ W. Bass Hodge, Esq. Teacher of music; of Paddington, N.S.W.; b. Victoria Barracks, Paddington, 27 Dec., 1855.

⁵⁵ G. Tutton, Esq. ("Northcote"). Manufacturing chemist; of Ivanhoe, Vic.; b. Newport, Mon. Eng., 1863.

⁵⁶ Cpl N. McBeath (No 74; 3rd Pioneer Bn., A.I.F.). Draughtsman and pattern maker; of Campbell's Creek and Ivanhoe, Vic.; b. Campbell's Creek, 15 Dec., 1892.

⁵⁷ Mrs. M. Coney. Dressmaker; of Prahran, Vic.; b. London, 1865. Died 29 September, 1918.

⁵⁸ J. D. Cousins, Esq. Book-seller; of South Belmont, W. Aust.; b. Ealing, London, 7 Aug., 1869.

⁵⁹ R. Turner, Esq. Labourer, of Perth, W. Aust.; b. England, 1846. Died 3 Dec., 1923.

⁶⁰ W. C. Chambers, Esq. Of Carlton, Vic.

⁶¹ F. Lyon Wise, Esq. School teacher and tutor; of Perth, W. Aust.; b. England, 1851. Died 25 July, 1933. (He is believed to have been the originator of "Empire Day").

⁶² H. C. Work, Esq. Of Perth, W. Aust.

⁶³ J. Barr, Esq. Journalist; of Sydney; b. Wyndham, N.Z., 6 Apr., 1875.

⁶⁴ Miss M. Summerbelle (Mrs. S. J. Senior). Musician and journalist, of Sydney; b. Sydney.

⁶⁵ W. M. Fleming, Esq. M.L.A., N.S.Wales, 1901/10; member of C'wealth House of Reps., 1913/22; served with A.I.F., 1916/18. Grazier; of Walgett, N.S.W.; b. Avon Plains, Vic., 19 May, 1874.

could be employed for this purpose. Vessels had to be requisitioned from the great shipping companies trading with Australia or upon the Australian coast. These ships had to be entirely refitted, horse stalls provided, hospitals, latrines, troop decks, sleeping quarters, canteens, ammunition magazines, dispensaries, and a thousand and one other requirements of an army installed. Immediate, rapid, and efficient organisation had to be called into being to convert merchant vessels into transports.

A full description of the measures adopted, of the ships then and later taken up, and of their action and that of the Australian merchant service during the war, is given in the naval volume of this series. It is sufficient to state here that a committee was appointed whose first important step was to draw up a list of all ships in port or approaching the Australian coast, and arrangements were made for inspecting them, to ascertain their general suitability for the transport of men and horses. The agents and owners of vessels showed a disposition to give all the assistance in their power, and a complete readiness to place their ships at the disposal of the Commonwealth. As soon as it was determined to requisition a particular vessel, she was at once measured up so that the necessary plans for her conversion could be proceeded with while she continued her voyage to her terminal port. Every important shipping firm trading with Australia contributed to the fleet which conveyed the first army oversea. The largest was the Aberdeen White Star *Euripides*, 15,050 gross tonnage; next in size came the Orient liner *Orvieto*, 12,130; the Liverpool White Star *Medic*, 12,032; the *Afric* of the same line, 11,999; the Federal Company's *Shropshire*, 11,911; and the P. and O. Branch line *Benalla*, 11,118. The smallest in the fleet was the Bucknall Company's *Saldanha*, 4,594. Altogether, 28 good ships were requisitioned, with a total tonnage of 237,885. The ten ships which carried the New Zealanders were, of course, separately requisitioned by the New Zealand Government.

The refitting of these ships was a drastic operation, in many cases involving the ripping-out of all the passenger accommodation, but the work was well done—a fact that has been widely admitted—and it was done with great expedition, owing to

forethought and the adoption of standardisation. The best work in the matter of speed of transformation was performed on ships which were requisitioned after the first contingents had left Australia, because the experience gained made officers and workmen expert in their employment. Thus, the *Demosthenes* was prepared for 1,500 troops in 60 hours, and the *Palermo* was fitted to carry 400 horses and 100 men in 53 hours.

The general conditions on which the ships were hired was as decided by an Admiralty Arbitration Court specially formed in London to decide terms of hire of ships requisitioned by the British Government. The Commonwealth accepted the terms arranged by this court. All war risks were also accepted by the Commonwealth, but owners were required to take ordinary sea risks such as could be covered by ordinary marine policies of insurance in times of peace. Progress monthly payments at the rate of 10s. per gross registered ton, on account of hire, were paid to owners. These terms, however, were revised at later dates in view of the rise in freights and the consequent inadequacy of the payments which were equitable enough in 1914. There was also a set-off on account of freight carried by the steamers—and it is this factor, varying as it did with each ship and each voyage, that makes it impossible to state the total net payment for shipping service.

The provisioning of the ships was placed in the eminently capable hands of the Director of Naval Victualling, Fleet Paymaster Treacy,⁶⁸ who was described by an experienced officer of the Royal Navy as “an officer of exceptional ability”; and the quality of the naval victualling staff was certainly proved in this piece of organisation. A scale of diet was prepared—based upon the Royal Navy scale in respect to range and quantities—which would give satisfaction to the troops, and would have regard to the standard of living prevalent in Australia. The latter condition meant that a scale which would have been considered satisfactory in European service was not deemed adequate for these troopships. The all-important consideration was the welfare of the troops and keeping them in good heart and health for

⁶⁸ Paymaster Capt A. M. Treacy, O.B.E., RAN. Director of Naval Stores, Victualling, and Contracts, 1912/22; acting Naval Secretary, 1920/21. Of Melbourne; b. Newstead, Vic., 28 April, 1869.

the work awaiting them. Various methods of provisioning were considered. Ultimately it was resolved to prepare a scale of rations and call upon the ship-owners to feed the men on board their vessels according to this standard menu at a fixed per capita rate. The representatives of the ship-owners were somewhat taken aback when they were shown what they were expected to provide, and the price for which the Commonwealth Government expected the provisions to be supplied. They declared that such a scale could not be provided for less than 2s. 6d. per man per day. They were informed that they were expected to meet the requirements fully as to quantity and quality for 1s. 4d. A chorus of "Impossible!" went up. But in fact every item had been carefully worked out, and Treacy had long experience in victualling to back his estimates. The Naval Board, he insisted, would not advance a penny beyond 1s. 4d., and his figures showed that, with capable buying in bulk, it could be done. And it was done. When prices rose owing to war conditions, the rate was raised to 1s. 6d. per man per day, and towards the end of the war to 1s. 10d., but the First Convoy left Australia provisioned at the lower rate, and fared exceedingly well upon the food provided. The menu provided for three square meals and a light supper, with meat at every meal, a different bill of fare for every day in the week, and ample quantities of butter, jam, milk, tea, and coffee.

All supplies for the transports were inspected by officers of the Commonwealth veterinary staff and the State Government pure food branches, who were required to certify that the goods supplied were all of first class quality; and all provisions delivered at the ships' sides were checked with the orders given, to ensure that the supply placed aboard every vessel was ample to maintain the victualling scale for the whole voyage.

The Australian soldier was accustomed to speak his mind about all things affecting his comfort, and he was a sharp critic of his "tucker." It was not to be expected that there would not be some criticism of the victualling of the troopships. Every cook is not a master of his profession, and good food is often spoilt in the pot. But the complaints were insignificant in number, having regard to the fact that there were 20,000

tastes to provide for during a voyage which lasted six weeks. In nearly all cases the few complaints which were made proved on investigation to be unjustified. But even if they had been justified in some instances, the striking fact remains that the equipment and provisioning of the Australian transports was a very remarkable piece of scientific organisation. Nothing better of its kind was done during the war, or in any previous war; and it was so well done from the beginning, thanks to careful forethought, that there was very little room for improvement in the management of the later convoys. It was, in short, commissariat staff work of a very high order. A saying of Napoleon was that of all men the soldier is most sensitive to good treatment;⁶⁷ and the Australian soldier was certainly well cared for by the officers whose duty it was to look after his welfare.

The plans for the shipment of horses were equally well thought out and successful. There were in Australia many men with long experience in the transport of horses to India, and hints borrowed from this trade enabled modifications to be made in the type of stall laid down in the British Army transport regulations. The voyage from Australia to Great Britain being one of the longest in the world—and the plans were originally made with a view to this voyage—special provision was made for exercise and airing. The efficiency of the plans was proved by the fact that the loss of horses in transit was much below the estimate.

IX

In addition to the A.I.F., a special expedition was organised in August, 1914, for rooting out the Germans from New Guinea and the Pacific islands. This work was undertaken at the suggestion of the Imperial Government, which on August 6th telegraphed that "we should feel that this was a great and urgent Imperial service." The Minister for Defence at once authorised the raising of the expedition and enlistment began on the 11th.⁶⁸ The references to it in the newspapers of the period were vague; the force was "for the tropics,"

⁶⁷ "*De tous les hommes, le soldat est le plus sensible aux bienfaits.*"

⁶⁸ The full history of the New Guinea and Pacific expedition is related in Vol. X (*The Australians at Rabaul*) of this series by Seaforth Mackenzie.

and nobody except the departmental officers and Colonel Holmes,⁶⁹ who was chosen for the command, knew what was meant. Secrecy was obviously necessary, as the force had not only to cross a sea on which German ships might be afloat, but to achieve a surprise of the enemy in New Guinea. The preparations were accordingly made behind a stockade of reticence.

The censorship being absolute, the community was thrown back on mouth-to-mouth communication of the news in which it was most vitally interested, and, as in England, a remarkable situation arose. Imaginative persons professed to know more about the movements and fate of the warships and the tropical force than they could possibly reveal—except in confidence, and the persons to whom the “news” was thus communicated passed it on equally in confidence to others, till the rumours became mischievous. Australia—like other countries—during the war gave evidence of the possession of many persons whose tongues, if they had lived in an earlier age, would have been spiked with bodkins as a punishment for their looseness. In connection with this expedition tales flew about to the effect that disaster had overtaken the ships; and these became so frequent and circumstantial that the Minister felt compelled (August 28th) to allude to them. There was not a word of truth in the reports which had given so much anxiety to relatives and friends, and, although the Minister said that he could not supply details concerning the business and destination of the force, he assured the public that “the vessels of the Royal Australian Navy and the naval and military forces of the Commonwealth were engaged upon their missions with safety and success.”

On September 3rd the Government announced its intention of despatching a second contingent to the principal seat of war. The Minister for Defence informed the Imperial Government to this effect in a cablegram wherein he stated: “In addition to the first expeditionary force of 20,000 men with reinforcements from time to time the Commonwealth Government is arranging for the despatch early in November of an additional

⁶⁹ Major-Gen. W. Holmes, C.M.G., D.S.O., V.D. Administrator of German New Guinea, 1914; commanded 5th Inf. Bde., A.I.F., 1915/16; 4th Div., 1916/17. Secretary, Water and Sewerage Board, Sydney; b. Sydney, 12 Sept., 1862. Died of wounds, 2 July, 1917.

infantry brigade and light horse brigade, totalling 6,383 with 2,386 horses and 181 vehicles." The Secretary of State (September 5th) enquired whether it was to be understood that the Commonwealth proposed to provide this extra force in addition to replacing the wastage of the first contingent, for which it was estimated there would be required drafts of 5 per cent monthly in addition to the normal 10 per cent reinforcement always allowed for troops on active service. The answer of the Commonwealth Government was that the extra force was "in addition to replacing the wastage of the first contingent." A memorable decision was made when on September 11th the Minister for Defence gave authority for the command of the new infantry brigade to be entrusted to Colonel John Monash, the most eminent Australian commander produced by the war.

At this time the voluntary recruiting continued to give the military authorities no cause for anxiety. The first wave of enthusiasm to join up was followed by an eagerness hardly less warm. When, towards the end of 1914, the impression had gained ground that the first 20,000, with necessary reinforcements, were all that were needed, the recruiting fell away, but the realisation that more were required caused it to increase in December, and in January it rose to over 10,000. Éclat was given to the movement by a cablegram received from Lord Roberts, who had been appointed Colonel-in-Chief of the Australian contingent, and who on August 29th congratulated the troops about to sail, and expressed his hopes for their success, while Lord Kitchener sent his "grateful and special thanks for the splendid help promised from Australia," and his high appreciation of the way in which his defence scheme was proving its efficiency when put to the test. Above all, the King, in a message to the oversea dominions (September 6th), expressed his satisfaction at finding that the whole Empire was with him in the decision which had been made by the Imperial Government by its entry into the war.⁷⁰

⁷⁰ The King's message, which was dated Sept. 6, and was published throughout the Empire on the 10th, was as follows:

"The King has been graciously pleased to send the following message 'to the Governments and peoples of his self-governing Dominions':

"During the past few weeks the peoples of my whole Empire at home and overseas have moved with one mind and purpose to confront and overthrow an unparalleled assault upon the continuity of civilisation, and the peace of mankind.

X

From first to last the training of the Australian Imperial Force was carried out mainly overseas; it was obvious that the troops would settle to work much more seriously when their leave-takings were over, and they were handled by staffs experienced in the lessons of the war. Nevertheless, owing to the rush to recruit in 1914 and 1915, the camps in Australia sometimes swelled to great size. Thus, from 22,000 in May, 1915, the numbers in camp rose to over 33,000 in July and 74,000 in October. In December they had fallen to 48,620, but by March, 1916, had risen again to nearly 63,000. Thereafter, with the drain of the Western Front and the decline in recruiting, they rapidly fell, and from November, 1917, averaged less than 9,000. The training given there to most of the troops was never other than elementary, but more advanced courses were furnished for A.I.F. and A.M.F. officers and N.C.O's, particularly at the Royal Military College at Duntroon, the suggestion coming from the college staff who, together with the advanced cadets, were anxious to assist more

"The calamitous conflict is not of my seeking. My voice has been cast throughout on the side of peace. My ministers earnestly strove to allay the causes of strife and to appease differences with which my Empire was not concerned. Had I stood aside when, in defiance of pledges to which my Kingdom was a party, the soil of Belgium was violated, and her cities laid desolate, when the very life of the French nation was threatened with extinction, I should have sacrificed my honour and given to destruction the liberties of my Empire and of mankind. I rejoice that every part of the Empire is with me in this decision.

"Paramount regard for treaty faith and the pledged word of rulers and peoples is the common heritage of Great Britain and of the Empire.

"My peoples in the self-governing Dominions have shown beyond all doubt that they wholeheartedly endorse the grave decision which it was necessary to take.

"My personal knowledge of the loyalty and devotion of my oversea Dominions had led me to expect that they would cheerfully make the great efforts and bear the great sacrifices which the present conflict entails. The full measure in which they have placed their services and resources at my disposal fills me with gratitude, and I am proud to be able to show to the world that my peoples overseas are as determined as the people of the United Kingdom to prosecute a just cause to a successful end.

"The Dominion of Canada, the Commonwealth of Australia, and the Dominion of New Zealand have placed at my disposal their naval forces, which have already rendered good service for the Empire. Strong expeditionary forces are being prepared in Canada, in Australia, and in New Zealand for service at the front, and the Union of South Africa has released all British troops and has undertaken important military responsibilities, the discharge of which will be of the utmost value to the Empire. Newfoundland has doubled the numbers of its branch of the Royal Naval Reserve and is sending a body of men to take part in the operations at the front. From the Dominion and Provincial Governments of Canada large and welcome gifts of supplies are on their way for the use of both my naval and military forces and for the relief of the distress in the United Kingdom, which must inevitably follow in the wake of war. All parts of my oversea Dominions have thus demonstrated in the most unmistakable manner the fundamental unity of the Empire amidst all its diversity of situation and circumstance."

widely in the general effort.⁷¹ Courses to fit officers of the citizen forces to take the places of senior regulars, most of whom went to the front, had been held at the college between September and December, 1914. In 1915 courses for junior officers were given, and in 1916 a permanent school for commissions in the A.I.F. was established at Duntroon, and all other such schools were closed. The course was for eight weeks, and several thousand officers went through it. Specialist schools were also provided, the largest being that for musketry and machine-guns at Randwick (Sydney). The Defence Department's Central Flying School established before the war at Point Cook, Victoria, undertook most of the flying instruction given in Australia; but a school established by the New South Wales Government at Richmond also trained airmen some of whom subsequently entered the British flying service.

During the whole period of training in Australia there proceeded a scrupulous weeding out of unsuitable recruits. But—as in the early camps in Great Britain, so in the early days of the Australian camps—the military authorities were insufficiently alive to the need of providing as far as possible the ordinary comforts and decencies for the crowds of healthy young men whom they herded there. The camps, lying not far from the great cities, attracted to their outskirts every sort of social parasite. Prostitutes took up their lodging in the neighbouring villages. The youngsters in camp represented the whole community, and along with the most innocent or the most carefully nurtured there was necessarily a proportion of foul-mouthed, foul-living men, to act as leaders in any folly. It is not surprising that these conditions ultimately led to serious trouble. In 1915, when recruiting immensely increased, it was complained that in the great training camp at Liverpool, twenty miles from Sydney, the conditions were distinctly inferior to those at the German concentration camp at the same place. Mr. Orchard,⁷² M.P., after visiting both camps, stated in the Federal Parliament that he found that “those interned at the German concentration camp had everything possible to make them comfortable,” warm overcoats, good sleeping and

⁷¹ The Commandant of the college throughout the war was Colonel J. W. Parnell (of Melbourne).

⁷² Hon. R. B. Orchard, C.B.E., M.H.R., 1913/19, Asst. Minister, i/c Recruiting, 1918 Jeweller, of Sydney, b Cockatoo Diggings, Vic., 14 Oct., 1871.

living accommodation, excellent hospital provision, and a well-organised system of feeding. But he found the training camp deficient in all these particulars. If the Minister, he said, "wants to know why more recruits are not offering, let him go to this camp and he will find out for himself." These statements were officially denied, but Mr. Justice Rich,⁷³ who was forthwith appointed to inquire into them, and immediately took up his residence in camp and stayed there a fortnight, found that there was good ground for practically all of them. Reforms were at once inaugurated, but the Minister for Defence was able to show that some of these measures had been ordered before Mr. Orchard made his complaint.

At the time when recruiting was at its heaviest and the difficulties in the camps were therefore greatest, the district command in Victoria became vacant, and at less than a day's notice Colonel R. E. Williams, a journalist then over sixty, who for thirteen years had been town clerk of Ballarat, was appointed to the post. Some surprise was evident at the district headquarters, and (as a very distinguished colleague, of the regular staff, afterwards wrote) on arrival there he

felt that the atmosphere at his reception was somewhat chilly and hostile He also sensed an inclination towards amusement and patronage However, he addressed them, telling them that he was there to do the job, and was going to do it, and invited their services and earnest co-operation, finishing by saying, "and I might just as well add that I'll break the first man that lets me down."

His régime was highly successful. He made sweeping reforms in the conditions of the Victorian camps, establishing new ones in country centres, and decentralising and humanising the administration. The effort was nowhere more successful than in the camp for men with venereal disease, at Langwarrin in Victoria. This was placed eventually under a young officer wounded in Gallipoli, Lieutenant Conder,⁷⁴ who administered the establishment with a humanity strongly in contrast to the general treatment of these men in the A.I.F. establishments

⁷³ Rt. Hon. Sir George Rich, K.C.M.G. Judge of Supreme Court, N.S.W., 1911/13, High Court of Aust., since 1913. Of Elizabeth Bay, N.S.W.; b. Braidwood, N.S.W., 3 May, 1863.

⁷⁴ Major W. T. Conder, M.B.E. 7th Bn. Law student and schoolmaster; of Launceston, Tas.; b. Ringarooma, Tas., 18 Oct., 1888. (Major I. Bleazard, also wounded in Gallipoli, who began this fine work as Conder's senior, was soon forced by his wounds to give it up, and Conder succeeded him. Major J. W. B. Bean endeavoured to introduce similar methods into the A.I.F. establishments in England; but he was a junior, and in spite of marked success the general medical administration was too strong for him.)

in general, the whole object being to restore their self-respect. The system was overwhelmingly successful, and it was a definite blot on the administration of the A.I.F. that it was not more generally adopted.

The influence of camp conditions upon recruiting will be discussed in another chapter. Mr. Orchard's reforms won for him the name of "The Soldiers' Friend." At the beginning of 1916, however, serious trouble occurred, at the light horse camp at Casula, near Liverpool, at Liverpool itself, and in Sydney. At Casula some tightness of discipline, some severity of camp regulation, and a soreness about overwork, produced a mutiny. Some of the men broke camp, and, with their numbers swelled by sympathisers, descended upon Liverpool, where they broke into hotels and looted food and drink. Disorder reigned in the town, though not in the Liverpool camp. Owing to the censorship, the public received no definite information, and consequently in Sydney the rumour spread that thousands of armed and angry men were at large at Liverpool, had seized the trains, and were bent on making their voice heard by authority, whether at Sydney or at Melbourne. Senator Pearce promptly closed the hotels indefinitely. Ringleaders from Casula were separated from their followers and arrested; the others were ordered back to duty. Their grievances were investigated, and a number of men were dismissed from the forces. Meanwhile improved conditions restored peace and satisfaction. Casula was soon closed, the men were transferred to Liverpool, and are said on ultimately reaching the front to have proved remarkably good soldiers. Reports of the incident went the world over, but it was not symptomatic of bad command or of any dangerous state of soldier psychology. In Australia it had one immediate result—to focus attention upon the licensing question. The Commonwealth Government at once prohibited the sale of drink in officers' messes and military canteens. In New South Wales, after a considerable amount of hesitation, the State Government brought in a new liquor law, and a referendum was taken on the closing hours of the hotels, resulting in a vote in favour of 6 o'clock. In other States somewhat similar reforms were carried through.

XI

Not only the fighting forces but the staff required to administer the services underwent huge expansion.⁷⁵ The vast work of the Quartermaster-General's branch in equipping the A.I.F. is described in a later chapter, as are some of the troubles that necessarily occurred in the discharge of such tasks. The medical effort is fully described in the *Official History of the Australian Army Medical Services*. It must suffice to say here that its scale may be judged from the fact that, for the service of the sick and wounded, 12 general hospitals, 4 special, 11 tubercular, 6 infectious, 5 auxiliary, and 6 venereal, had to be established and maintained by the Defence Department.⁷⁶ The engineer services,⁷⁷ faced by the need for immense increases of buildings for camps, hospitals, and laundries, together with water-supply, drainage, roads, and other accessories, were helped through their difficulties by the works departments of the Commonwealth and States. The Adjutant-General's branch⁷⁸ was relieved in 1916 of the direction of recruiting for the A.I.F., but remained responsible for the posting, promotion, and discipline of all the Australian military forces so far as these were dealt with in Australia, as well as for the normal enrolment of the A.M.F. A record of the enlistment, age, unit, rank, woundings, and other facts concerning every Australian soldier had to be maintained in Melbourne, as well as those kept overseas. For this purpose a Base Records Office was established there⁷⁹ on the 20th of October, 1914. Such records had long been kept in the British Army, but no useful precedent existed in Australia. The staff grew from 3 in 1914 to over 330 in 1917.⁸⁰ As the war went on, the constant transfer of individual soldiers to other units, often passing through hospitals and training camps on the way, complicated the work of this section, and, even to a

⁷⁵ The staffs (military and civil) employed at Defence Headquarters, Melbourne, were: in 1914, 267; 1915, 530; 1916, 969; 1917, 1,386; 1918, 1,483.

⁷⁶ During practically the whole war the D.G.M.S., whose branch was part of the Adjutant-General's, was Surgeon-General R. H. J. Fetherston. The Director of Naval Medical Services was Surgeon Captain A. C. Bean.

⁷⁷ The Director of Engineers was Lieut.-Col. G. F. Wilkinson, and the Director of Works, during the greater part of the war, Major T. Murdoch.

⁷⁸ The Adjutants-General during the war were Brig.-Gen. V. C. M. Sellheim, and Col. T. H. Dodds.

⁷⁹ Under Major J. M. Lean.

⁸⁰ The number was based on an average of one clerk to 1,000 records, with a small additional staff to meet emergencies.

greater degree, that of the postal authorities. In the latter case the main difficulty could be solved only by maintaining in London a special A.I.F. postal unit, which eventually verified the address on each letter and parcel by comparison with the latest records. In the first six months of 1917 this office handled over 101 million letters, 816,000 parcels, and more than 3 million packets and newspapers.

One of the heaviest administrative tasks was that of the finance branch. At the beginning of the war the army pay corps possessed a staff barely adequate to the needs of peace, and upon its leaders at first fell the task not merely of paying the troops but of accounting for expenditure and devising the appropriate systems.

The understanding in Australia from the beginning was that this country would bear the whole cost of her armies, and, indeed, so much was stated in the Commonwealth's cablegram of 3rd August, 1914, wherein it was undertaken that the whole cost of transport and maintenance would be borne by the Government. But, owing to the difficulty of accurate computation, this apparently simple undertaking was far from simple in fulfilment. The cost of transport of the first Australian contingent to Egypt in ships hired by the Commonwealth offered no such difficulty. But the Australian soldier could not be supplied with food, arms, ammunition, and clothes entirely from Australian sources; and in Egypt—and still more at a later time in Gallipoli, Palestine, France, Belgium, and Great Britain—he was so intermingled with his British comrades that the task of checking the cost of his transport and maintenance defied any scheme of bookkeeping. Officers and men, singly or in smaller or larger bodies, had to be detached on military duty to all parts of those countries, where they messed and were billeted among British troops, drew their clothing, arms, and equipment from hundreds of British ordnance stores, were paid by hundreds of British paymasters. Sick and wounded Australians, carried along every line of communication, found their way to practically every British hospital, and, intermingled with their British comrades, were supplied with medicine and clothing from hundreds of medical store dépôts. It became evident that it

was hopeless to attempt accurately to separate every item of expenditure on Australians. Moreover the British Government, having in the early months of the war generously made certain provision for Canadian troops without charge to the Canadian Government, was careful to extend this generosity to the other dominions also. On the 10th of December, 1914, the War Office intimated to the authorities in Egypt that no charge would be made against Australia or New Zealand for—

- (a) accommodation (either capital cost or rent) other than the cost of billeting;
- (b) barrack or hospital stores;
- (c) the cost of land or inland-water travelling after disembarkation in Egypt.

By an assumption most generous to the dominions, this arrangement was applied to the cost of providing and furnishing offices, camps, and barracks, and, in England, of billeting.

Much confusion occurred in the A.I.F. accounts in Egypt, and apparently some also occurred among the British departments dealing with Australia, for on the 5th of March, 1915, in order to put the arrangements on a better business basis, the Secretary of State for the Colonies, Mr. Lewis Harcourt, raised the question of allocating the cost. He stated that he understood that the responsibility undertaken by the Commonwealth included all charges for initial equipment, transport to Egypt, pay and allowances throughout, including pensions, all supplies, cost of animals, etc. This responsibility, therefore, did not necessarily include the cost of travelling on land; and, since the offer was made on the assumption that the contingents would be brought direct to Europe, it was desired to have the wishes of the Commonwealth Government indicated with regard to any further cost of transport between England and the continent, and the cost of stores and supplies issued from army stocks to Australian units when once they were in the field. He requested that the Commonwealth Government would consider to what extent it was intended that Australia would assume responsibility in respect to these

charges. The British Government had no wish to press upon the Commonwealth the acceptance of any liabilities not previously within their contemplation, but they considered it desirable that, in order to avoid any possible misunderstanding in the future, the views of the Australian Government with regard to any points of uncertainty should be clearly defined.

Mr. Fisher replied (April 22nd) that "The Commonwealth Government accepts the liability in respect of the whole cost of its troops in the field, certain parts of that expenditure, as indicated in the despatch of the Secretary of State, to be allocated on an estimated basis." That meant that the Commonwealth would pay—as Canada did—the cost of transport as well as of supplying the Australian troops from British Army stores on an estimated basis, the amount to be paid being fixed at so much per man per day. This system was at once adopted for the troops on Gallipoli, and, after negotiation between the War Office and Colonel Anderson,⁸¹ a Sydney business man sent to Egypt and London to grapple with problems of finance and supply, was extended to most of those elsewhere.⁸² The actual investigation of details and averages was made by Captain Langslow,⁸³ representing the Commonwealth, and an official representing the War Office. The fixed sum per head eventually arrived at represented the cost of clothing, feeding, and transporting (after arrival overseas) each soldier, and also the cost of his small arms ammunition. In France, where the expenditure of artillery ammunition was enormous but variable, a special rate had to be fixed every three months, representing the cost of ammunition fired by the guns of the A.I.F. The War Office, though

⁸¹ Brig.-Gen. Sir R. M. McC. Anderson, K.C.M.G. Commandant, Admin. H.Q., A.I.F., London, 1916/17. Merchant and contractor; of Sydney; b. Sydney, 6 Aug., 1867.

⁸² The daily cost of each soldier in respect of the shells fired by the Australian batteries was often much higher than the rest of the cost of maintenance. Thus, whereas the charge for rations, equipment, transports, etc., of each Australian soldier in France was 5s. per day, the daily cost of gun-ammunition per man in 1916 was—quarter ending June 30, 2s. 7d; Sept. quarter, 9s. 7d; Dec. quarter, 5s. 1d. The rates adopted in other theatres were: Gallipoli (including ammunition—1s.), 5s. 10d.; Egypt and Eastern campaigns (including ammunition), Jan.–July, 1916, 5s., thereafter 3s. The expenditure in Egypt, 1914-15, and in Great Britain, was to be ascertained by accounting for the actual items (*see also Vols. II, p. 396, and III, pp. 172-5*). The total cost of equipping a soldier and training and paying him for 40 days in Australia was estimated by the Finance Branch at £73; the cost of his transport overseas and pay, etc., during voyage, was £44 5s. In 1917 the cost of his maintenance abroad was calculated at 19s. a day—namely, pay, etc., 8s. 9d; equipment and food, 5s.; ammunition, 5s. 3d.

⁸³ Major M. C. Langslow, M.B.E. Clerk; of Elsternwick, Vic.; b. Maldon, Vic., 20 June, 1889.

extremely firm in negotiating as to the principles, was exceedingly generous when it came to the details. It was, for example, a rigid rule that all the dominions should be treated alike; but it so happened that where there were unavoidable differences the concessions made by the War Office resulted in the charge to Australia being less than that to Canada. For instance, the Canadian Government paid the British for all motor-transport vehicles used by the Canadians in the field, and paid an additional 2½d. per man daily for the maintenance of these vehicles. Australia, partly in consequence of an initial misunderstanding which the War Office decided to overlook, paid neither. Further, as the Australian troops operated in Gallipoli at the wish of the British Government, the War Office charged the Australian Government for sea transport there only the same rate—3d. a head—which was charged to the Canadians for cross-Channel transport to France and rail transport in France and Belgium, although the actual cost, including the loss of cargoes on the journey to Gallipoli, was considerably heavier. For all other transport, the charges to Australia and Canada were the same. Captain Langslow was satisfied that the Commonwealth saved millions of pounds by these arrangements, which, when once the amount per head had been determined, worked to the perfect satisfaction of all concerned.

Except as regards the maintenance of Australian soldiers in Great Britain, and of those in Egypt during the early part of the war—the ultimate statement of whose accounts was not effected until many years after the war had ended—the accountants were thus relieved from the nightmare problem of keeping a record of the supplies, transport, and equipment for each individual Australian. Mr. Bonar Law, who replied for the British Government (21st June, 1915), acknowledged “the generous spirit in which this comprehensive responsibility has been assumed,” and assured the Commonwealth that it was highly appreciated by the Ministry of Great Britain.⁸⁴ But the War Office continued to shoulder the expenses for which it had assumed responsibility in the letter of 10th December, 1914.

⁸⁴ Mr. Fisher's communication and Mr. Bonar Law's reply are printed in *Commonwealth Parliamentary Papers, 1914-17*, p. 1167, but without the original message from Mr. Harcourt which initiated the correspondence.

CHAPTER VII

THE EQUIPMENT OF ARMIES

FEW Australians at the time of the war realised, or could have known, the immense work undertaken by the branch of the Defence Department responsible for most of the initial equipment of the A.I.F. Even the general staff and commanders of the fighting formations in the field can hardly be said to have carried a heavier responsibility than fell upon the Military Board in this branch of its activity. The work rested chiefly upon the quartermaster-general's branch, which some time previously had been placed in a highly efficient state through the work of Colonel Legge,¹ and by the importation of three specialists from the British Army—Captain Marsh,² Lieutenant Gibbs,³ and Major Austin⁴—to reorganise its transport and ordnance sections. This branch was assisted by the Contract and Supply Board, the Federal Munitions Committee, and the factories of clothing, equipment, and munitions recently established by the Government.

The inauguration of these factories was an important part of the general reorganisation involved in the adoption of compulsory training and of the methods recommended by Lord Kitchener after his visit of inspection at the beginning of 1910. The policy of establishing such factories had, however, been determined before that visit, having been prompted in some degree by that of the British and Indian Governments, which had recently established or modernised the necessary arms and munition factories in India. For the management of its projected cordite factory the Australian Government

¹ He held the appointment from Jan., 1909, to June, 1912. The quartermasters general during the war were Brig.-Gens. J. Stanley (Aug., 1914-July, 1918) and J. K. Forsyth (from July, 1918). Forsyth, who went abroad with the A.I.F. in 1914, held the appointment at the outbreak of war. Among the directorates of the branch, the heaviest task undoubtedly fell on the Director of Equipment, Major A. J. L. Wilson. The work of the Remount Branch is referred to in *Chapter XIV*, pp. 542-3.

² Lieut.-Col. J. T. Marsh, C.M.G., O.B.E. Commanded 1st Div. Train, A.I.F., 1914/19. Of West Jerpoint, Co Kilkenny, Ireland; b. Chatham, Eng., 16 Dec., 1872.

³ Lieut.-Col. S. G. Gibbs. D.A.Q.M.G., 1 Anzac Corps, 1916/17. Of Kensington, Eng.; b. Southampton, Eng., 19 March, 1886. Killed in action, 20 Sept., 1917.

⁴ Brig.-Gen. J. G. Austin, C.B., C.M.G. D.A.D.O.S., 1st Div., A.I.F., 1914/15; A.D.O.S. 1 Anzac Corps, 1916/17; subsequently Chief Ordnance Officer, Le Havre; C.O.O., Royal Army Clothing Dept., London; and Inspector of Ordnance Services, War Office. b. Barbadoes, West Indies, 20 June, 1871.

had in 1909 secured the services of Mr. Leighton,⁵ an English chemist who had assisted the Indian Government in its reorganisation. By April, 1910, the Commonwealth Government had authorised the establishment of four factories—a small arms factory at Lithgow, New South Wales, an explosives (cordite) factory at Maribyrnong, Victoria, a clothing factory at South Melbourne, and a harness, saddlery and leather accoutrements factory at Clifton Hill, Victoria.

A return presented by order to the Senate in 1912 showed that at that date these factories were employing 784 persons, that £252,747 had been invested in their buildings, plant, and appliances, and that they had produced material to the value of £60,328 up to June 30th; these values, however, related principally to the clothing and harness factories, as the cordite factory had not yet produced anything, and the small arms factory was credited with production to the value of only £362.⁶ It had also been determined to establish woollen mills at Geelong for the manufacture of cloth and other woven goods. A manager had been appointed, and arrangements were already made for the purchase of the necessary machinery and plant.

A later report by the manager of the clothing factory⁷ showed that there was much opposition in the clothing trade to the Commonwealth embarking in this enterprise. At the commencement of operations, competent hands were selected, but they failed to put in an appearance when the factory opened, because private employers had offered them better terms. The factory was therefore compelled to engage workers who were not experienced in the class of labour required, and train them. It was claimed nevertheless that the cost of the finished garments manufactured compared favourably with the prices charged formerly by contractors, and that the quality of the output was satisfactory. The factory, indeed, had produced not only the ordinary regulation garments, but also full dress and mess tunics for officers, which had been declared good.⁸

⁵ A. E. Leighton, Esq., C.M.G. Manager, Commonwealth Cordite Factory, 1909/15; subsequently a principal technical adviser in the British Ministry of Munitions; Controller-General of Munitions, Australia, 1921/37. Chemical engineer; of Melbourne; b. London, 19 June, 1873.

⁶ *Commonwealth Parliamentary Papers, 1912, Vol. III, p. 209.*

⁷ *Ibid.*, 1913, II, 14.

⁸ It also eventually made uniforms for the postal, railway, and other services of the Commonwealth, and for some of the services of the State of Victoria.

The harness factory by 30th June, 1912, had produced goods to the value of £33,172. The cordite factory did not produce its first sample of the explosive till June 7th of that year. The small arms factory was fitted with plant for turning out fifty rifles per day of eight hours, with bayonets, scabbards, arm chests, and accessories; it was claimed for it by the first manager, Engineer Captain Clarkson,⁹ that the equipment was "the most up-to-date amongst arms factories in the world, and probably there are few manufacturing plants in the world to excel it."¹⁰

There was also political opposition to the establishment of these factories. Some members of Parliament described them as socialistic experiments into which the Commonwealth Government ought not to have entered without securing in advance the approbation of the legislature. Mr. Cook, for instance (17th June, 1915), charged the Fisher Government with regarding the setting up of government factories as of more concern to them than making serious efforts to push on with war preparations. "Instead of calling in private enterprise in a *bona fide* way to help them in the supply of war material," he said, "the Government . . . have aimed all through at setting up a Government institution for the production of munitions of war. . . . I venture to say that the less we have to do with the cultivation of social experiments in these war days, when the fate of the Empire is at stake, the better it will be for all concerned."¹¹

There was likewise opposition by manufacturing firms, which naturally hoped to receive contracts for making uniforms and equipment for the army; and there were members of Parliament who appeared to be more concerned that factories should be erected in their constituencies than solicitous for the efficient fitting out of the forces, or who, perhaps, considered that efficiency was dependent upon their constituents being employed upon government manufacturing work.

⁹ Engr. Vice-Admiral Sir William Clarkson, K.B.E., C.M.G.; R.A.N. Third Naval Member of Aust. Naval Board, 1911/22; Member of Commonwealth Shipping Board, 1923/27. Of Melbourne; b. Whitby, Yorks, Eng., 26 March, 1859. Died 21 Jan., 1934. (Clarkson selected the equipment and temporarily filled the position of manager. He was succeeded by Mr. A. C. Wright, who held the position till 1915, when Mr. F. R. Ratcliffe was appointed. Mr. B. T. McKay acted as manager from 1916 to 1918.)

¹⁰ Report in *Commonwealth Parliamentary Papers*, 1913, Vol II, p. 97.

¹¹ *Parliamentary Debates*, LXXVII, 4100. But Mr. Cook changed his mind after he became ministerially responsible for the work of some of the Government factories. Compare his defence of them in *Debates*, LXXXIV, 3871.

But these criticisms lost much of their point when the stress of war made it apparent that unless forethought had been shown in regard to the provision of equipment, it would have been very difficult if not impossible in 1914 to fit out the Australian Imperial Force as efficiently as was done by means of the work of the Government factories. As Senator Pearce more than once observed, "You cannot make an army by merely clapping your hands." During the French revolution it was said that Danton brought armies into being by stamping his foot, but that rhetorical hyperbole did not really explain how the troops of Dumouriez defeated the Prussians at Valmy. An army must be clothed, armed, and provisioned. Equipment was the first necessity for making the Australian troops fit to take the field, and the fitness secured was due very largely to the work of these factories.

The woollen factory at Geelong was established in 1914. By the middle of that year £91,000 had been spent upon it, and a further sum of £100,750 was provided on the next year's estimates, in addition to £20,000 spent on the purchase of raw material. In 1915-16 it commenced the manufacture of khaki cloth, blankets, flannel for underclothing, and similar woollen requisites for the troops, and had produced goods to the value of £45,000.

The Fisher Government made it a matter of policy that Australia should be "self-contained" in respect to the manufacture of munitions of war, even to the extent of producing 18-pounder quick-firing guns and the ammunition used by those weapons.¹² With that object in view, the Government telegraphed (30th September, 1914) to the Imperial authorities for details of the manufacture of the guns, shells, and fuses, and enquired whether foremen of works, who understood the work, could be engaged. The Army Council replied that it would take a great deal of time to prepare an account of full details of manufacture—it would, indeed, involve writing a treatise—and that the services of foremen could not be spared, as all skilled labour of the kind was required for ammunition work in Great Britain. It was suggested therefore that the best course would be for the Commonwealth to send to England

¹² See the statement of the Prime Minister, *Parliamentary Debates*, LXXVII, 4095.

a deputation to study the whole process and obtain the necessary plant. The Commonwealth already had two gunnery officers in England, and endeavoured to secure facilities for them to be instructed in gun and shell manufacture; but it was obvious that the progress of the war had entirely changed the conditions, and the High Commissioner, after consulting with the War Office, advised that owing to pressure of work the British experts had no time to spare for giving instruction. Failing this method of attaining the purpose, the Minister for Defence directed the Assistant Manager of the Small Arms Factory to prepare an estimate of the cost of installing a plant for the manufacture of 18-pounder ammunition. The estimate showed that the initial cost would be £98,000.

While the subject was under consideration, an agitation was commenced in a section of the press, urging that there were Australian manufacturers who were able and willing to accept orders for the making of shell. It was stated that the Sunshine agricultural machinery factory was prepared to undertake a contract for the making of 20,000 shells, and the Minister for Defence stated that Mr. S. McKay¹³ of that firm, and other manufacturers, had been enquiring as to the possibilities.

Apart from the "self-containment" policy of the Government, there were good reasons why the possibilities of ammunition manufacture should be explored in 1915. The war news from Europe showed that on the Western Front the struggle had resolved itself into a semi-subterranean duel with trench-mortars, howitzers and heavy guns. In Great Britain there had been a munitions crisis. The expenditure of projectiles was immensely greater than had been anticipated by the general staffs of any of the armies. Vast quantities of brass, steel, and nickel were hurled by gigantic weapons of destruction. British experts were blamed for not anticipating the demand for shell, but the Germans also were astray in their calculations. In Great Britain complaint was made that the Government had failed to make use of the manufacturing resources of the nation by co-ordinating the great engineering industry with the War Office. "Scores of firms which were in a position to make munitions were not

¹³ S. McKay, Esq. Agricultural machinery manufacturer; of Sunshine, Vic. b. Drummartin, Vic., 30 Dec., 1871. Died, 12 Nov., 1932.

definitely told of the State's requirements, and so went on executing private orders rather than incur the expense of installing new machinery before they were sure it would be wanted."¹⁴

It was the receipt of information about this serious "munitions crisis," which impelled many people possessed of expert knowledge in Australia to bestir themselves with the object of seeing whether they could render to the cause of the Empire the same kind of service as was now being given by British engineering and other manufacturing firms. Not only was it a proper endeavour, but there would have been a failure of national spirit if the attempt had not been made. At this time it was not realised anywhere how prodigious was the productive capacity of Great Britain when she laid herself out to produce munitions of war in inconceivable quantities and of a destructive power suggesting the cataclysmic forces of nature. An Australian engineer who was visiting England in May, 1916, stated the change in the situation accurately when he wrote: "There is no question of the urgency for the 18-pr. H. E. shell when first we entered on it in Australia, but the marvellous developments in this country in such short time, with all the advantages of being able to obtain special tools, unskilled labour, and all supplies of suitable material, have resulted in rapid production, which has removed the urgency as far as Australia is concerned." By that date, indeed, the British Ministry of Munitions—a special department of State created to deal with the crisis—definitely stated that they were "not in urgent need of shell."

II

Among the eminent men of science who came to Australia in 1914 in connection with the meeting of the British Association for the Advancement of Science, was Dr. Walter Rosenhain,¹⁵ the superintendent of the Metallurgy Department of the National Physical Laboratory of Great Britain. Dr. Rosenhain was a graduate of the University of Melbourne: and one of the most attractive features of the public functions

¹⁴ *The Round Table*, June, 1915, p. 563.

¹⁵ Dr. W. Rosenhain. Superintendent, Metallurgy Dept., National Physical Laboratory of Great Britain, 1906/31; of Melbourne and London; b. Berlin, 24 Aug. 1875. Died 17 March, 1934.

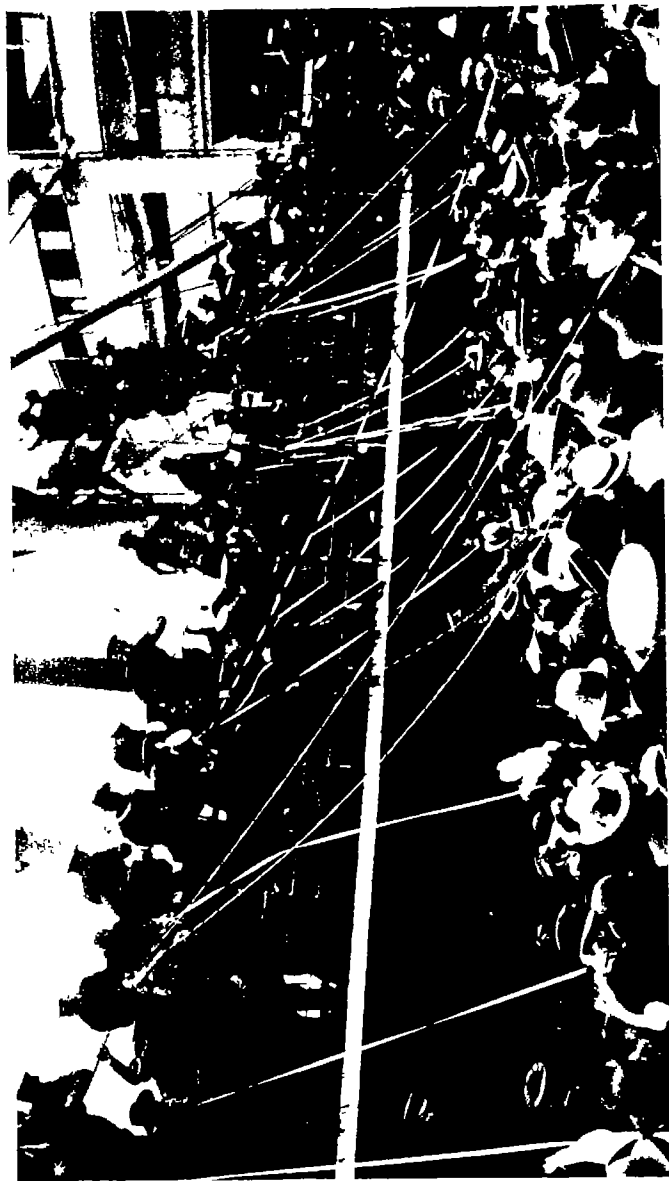
connected with the meetings of the Association was his illustrated lecture on "The Making of a Big Gun." On subjects relating to the metals used in the manufacture of weapons of war he was an expert of great eminence. The Commonwealth Government therefore consulted him on the question which the Prime Minister had at heart, and his advice was especially sought as to whether it was desirable that steel for the making of rifles should be produced in Australia, whether ammunition for 18-pounder quick-firing guns could be made here, whether Australia could supply a substitute for the cupro-nickel envelopes of the bullets of small-arm cartridges, what should be done to provide arms and ammunition for local defence in the event of supplies from Great Britain being cut off, and several other practical matters of moment.

Dr. Rosenhain's suggestions on these problems were very valuable; and on the immediate question concerning the making of shell he put his finger at once upon what proved to be the real difficulty. He pointed out that very rapid changes would take place, as the result of war experience, in the pattern and composition of shell-cases, fuses, ingredients, and other features of ammunition. It would be necessary, if Australia was to embark upon this work, to obtain the latest specifications and drawings; and there could, of course, be no certainty that these would not have become antiquated by the time any considerable quantity was manufactured in Australia. That, indeed, was the difficulty experienced when the making of shell was commenced in Australia. It was practically impossible, as the High Commissioner reported, to "keep distant manufacturers in touch with constant changes, requirements and design." So rapid were the changes that within a few weeks of the drawings of a shell known as "6-in. mark XVI" being received in Australia, it became known that no fewer than six changes in the pattern had been adopted.

In June, 1915, a departmental committee, which had been formed to deal with the question of manufacturing munitions, was expanded into a Federal Munitions Committee, consisting of Commodore Gordon Smith,¹⁶ Captain Thring,¹⁷ Director

¹⁶ Vice-Admiral A. Gordon Smith, C.M.G.; R.N. Second Naval Member of Aust. Naval Board, 1914/17; Principal Transport Officer with 1st Aust. Convoy, 1914; President, Aust. Munitions Committee, 1915/16; b. Camborne, Cornwall, Eng., 30 March, 1873.

¹⁷ Capt. W. H. C. S. Thring, C.B.E.; R.A.N. Director of War Staff, Navy Office, 1915/18. Of Wiltshire, Eng.; b. Bradford-on-Avon, Wilts., Eng., 30 May, 1873.



17. A TROOPSHIP LEAVING FREMANTLE

Photo by E. I. Mitchell, Perth

To face p 242



18 MAKING SHELL-CASES IN WESTERN AUSTRALIA
(See also Vol XII, plate 749)

Photo by E. L. Mitchell Perth
41st War Memorial Collection No H1991.

of Naval Ordnance, Lieutenant-Colonel Owen,¹⁸ Commonwealth Director-General of Works, Lieutenant-Colonel Dangar, Chief of Ordnance, Mr. Marcus Bell,¹⁹ chemical adviser to the Defence Department, Dr. Lyle,²⁰ formerly professor of Natural Philosophy in the University of Melbourne, Mr. Leitch,²¹ business representative, and Mr. Barber,²² secretary. The committee was strengthened by the addition of a number of scientific, manufacturing, and commercial experts, who consented to act as consulting members. These included Professor Orme Masson, then professor of Chemistry at Melbourne, Professors Warren²³ and Payne²⁴ on engineering problems, Mr. Delprat,²⁵ General Manager of the Broken Hill Proprietary Company, Mr. Higgin,²⁶ lecturer in Metallurgy in the University of Melbourne, Mr. Robinson,²⁷ of Associated Smelters Limited, Messrs. H. V. McKay²⁸ and S. McKay of the Sunshine Agricultural Implements Works, Dr. Rivett and Dr. Campbell²⁹ on chemical questions, and several other men possessing knowledge applicable to the question in hand. Committees were also formed in each State.

¹⁸ Col. P. T. Owen, C.B.E. Commonwealth Director-General of Works, 1904/22; D.G. of Works, Canberra, 1922/24. Consulting engineer; of Illawarra district, N.S.W.; b. Wollongong, N.S.W., 15 Sept., 1864. Died 15 June, 1936.

¹⁹ Marcus Bell, Esq., O.B.E. Chemical Adviser, Defence Dept., 1911/15; Director of Munitions, 1916; Superintendent of Laboratories, Munitions Supply Branch, 1917/34. Of Kew, Vic.; b. Kew, 7 Jan., 1881. Died, 3 June, 1934.

²⁰ Sir Thomas Lyle. Professor of Natural Philosophy, Univ. of Melbourne, 1889/1915. Of Toorak, Vic.; b. Coleraine, Ireland, 26 Aug., 1860.

²¹ Sir Walter Leitch, C.B.E. Director of Munitions, Australia, 1915/19; Director of C'wealth Bureau of Commerce and Industry, 1917/18; Agent-General for Victoria, in London, 1929/33. Of Melbourne; b. Jedburgh, Scotland, 6 Nov., 1867.

²² J. F. Barber, Esq. Secretary to Munitions Committee, 1915/17. Public servant; of Clunes, Vic; b. Victoria, 8 Feb., 1873.

²³ Professor W. H. Warren. Challis Professor of Engineering, Univ. of Sydney, 1884/1925, and Dean of the Faculty of Engineering, 1920/25; Dean of the Faculty of Science, 1908/12 and 1917/19; b. Bristol, Eng., 2 Feb., 1852. Died, 9 Jan., 1926.

²⁴ Professor H. Payne. Professor of Engineering and Dean of the Faculty, Univ. of Melbourne, 1910/32; b. Calcutta, India, 3 March, 1871.

²⁵ G. D. Delprat, Esq., C.B.E. General Manager, Broken Hill Pty. Co. Ltd., 1899/1921. Of Toorak, Vic.; b. Delft, Holland, 1 Sept., 1856. Died 15 March, 1937.

²⁶ A. J. Higgin. Esq. Lecturer in Metallurgy, University of Melbourne, 1912/22; b. Manchester, Eng., 30 June, 1859. Died, 18 July, 1922.

²⁷ W. S. Robinson, Esq. Managing Director, Broken Hill Associated Smelters Pty. Ltd., since 1915; b. Hawthorn, Vic., 3 Oct., 1876.

²⁸ H. V. McKay, Esq., C.B.E. Member of Board of Business Administration, Defence Dept., 1917/18; Chairman, Aust. War Materials Disposal Board, London, 1919. Agricultural implement manufacturer; of Sunshine, Vic.; b. Raywood, Vic., 21 Aug., 1865. Died, 21 May, 1926.

²⁹ Dr F. H. Campbell. Consulting chemist; of Melbourne; b. Kew, Vic., 30 Jan., 1879.

The High Commissioner in London was doing his best to obtain from the English authorities exact information as to what was wanted, but was evidently experiencing great difficulties. All those who could impart the information required were too busily engaged in the making of shells and explosives to attend to the requests. The High Commissioner telegraphed such obvious but unhelpful observations as that the manufacture of high explosive shells "requires great skill and experience," that "the main difficulty is not the shell body but fuse and high explosive bursting charges," that "absolute accuracy is essential in every detail of manufacture and inspection," and that the Commonwealth offer re munitions was "receiving most careful consideration." After more than a month the High Commissioner was able to forward particulars of the constituents and mode of manufacture of 18-pr. shell bodies. The Minister of Munitions stated that he was able to take unlimited quantities of these articles, made of bar steel, at £1 2s. each for the first 20,000 and £1 each for further supplies. But he did not recommend the manufacture of larger calibre shells in Australia.

When the specifications and drawings were received in August, possible contractors were consulted as to manufacture. The Broken Hill Proprietary Company undertook to supply steel from its Newcastle works at £10 per ton, which was below the ruling rate obtained for steel used commercially. The first 125 tons of shell steel produced in Australia was submitted and accepted by the departmental inspectors on 31st August, 1915.

Tenders were then invited for the manufacture of shell from this steel. It was determined to adopt a flat rate of 21s. per shell body complete; and 25 firms undertook to manufacture at this rate. The Victorian Railways Commissioners erected a building and plant especially for shell making at their Newport workshops, and offered to supply at actual cost, provided that the cost was not to exceed 21s. The Queensland Government likewise contracted, and manufactured shell at its railway workshops. The New South Wales Government undertook to contract, but distributed sub-contracts among various engineering firms. In Broken Hill

the associated mining companies formed the Barrier Munitions Company Proprietary Limited, which erected a factory for making shell and supplied the product to the Government without any intention of making profit. On a non-profit making basis likewise was the Western Australian Munitions Supply Company, formed amongst local engineering firms aided by public subscriptions. The honour of first delivering finished shell to the Commonwealth was that of the Queensland Government Railways, which had its first consignment accepted on 16th March, 1916.

It is evident that much expert and scientific knowledge, eager patriotic enthusiasm, a desire to render service and a belief that good service was being rendered, went into this movement for the making of shell in Australia. But the Imperial Government was at no stage encouraging; and its restraint was actuated by sound reasons. In February, 1916, the Minister of Munitions telegraphed: "Position as to these shells entirely changed partly owing to efforts made by manufacturers in United Kingdom and partly on account of experience gained during the war, which has shown the higher proportion of large shell necessary than was at first supposed. It has been necessary therefore to refuse many offers of increased production of 18-pound shells. Minister deeply appreciates assistance given by Commonwealth Government and State Governments, but regrets not possible to utilise supply of these shells from Australia beyond contracts."

It would have been prudent if on receipt of this warning message the Commonwealth Government had recognised the extent to which the difficulty attending the making of shell in Australia arose from the frequently changing necessities of the war. In 1915 it seemed that large quantities of 18-pounder shell could be usefully made and readily absorbed by the army. By the beginning of 1916 the quantities of these shells forthcoming were so enormous that supplies from Australia were no longer required. But the Government was still eager to pursue its "self-contained" policy. It continued therefore to press the Ministry of Munitions for further particulars as to the kind of shell that was wanted. It was now

suggested that 4.5-inch high-explosive shell should be made in Australia. The reason for this fresh move is explained in a departmental report:

The Department had recently received complete particulars of the 6-in. and 4.5-in. high explosive shell, and the 18-pr. Q.F. shrapnel shell, and it was with this information that it was able to conduct experiments with the 6-in. and 4.5-in. shells; but in the meantime the patterns had again changed, so that further drawings and specifications had to be cabled for. However, the particulars on hand enabled preliminary work to be undertaken, and by the courtesy of the Government of Victoria and Victorian Railways Commissioners, and capable and energetic work by the Newport workshops management, immediate steps were taken for experimental manufacture of higher calibre shell. 4.5-in. high explosive shell were first taken in hand, but before the possibilities in this regard were finally ascertained, the 6-in. shell were advised in preference. Attention was then concentrated on this type, but here again finality was not reached before orders to cease were received. However, so much progress had been made that it was demonstrated that 4.5-in. and 6-in. shell *can* be made in Australia, and samples are now on view in the Department.

There was really no need to "demonstrate" that shell could be made in Australia, because no rational person would have doubted that engineers who could make, for example, express-train locomotives, could make shell. But Australia was too far from the battle area to embark upon this form of activity with any prospect of success. Not only the kind of shell demanded by the exigencies of war, but also processes of manufacture, changed with bewildering rapidity. In Great Britain, where the guns were designed and made, and the shells to fit them were at the same time designed and manufactured, it was comparatively easy to change the system with the change of pattern. The directing technical ability was at hand to superintend and the trained workmanship was available. But it was an entirely different proposition to make these rapid changes 12,000 miles away, and to do it from blue-prints. Moreover, the sheer vastness of the shell expenditure in the great barrages and bombardments of the war was not appreciated by the Commonwealth Government when it entered upon this policy. From first to last, the quantity of shell manufactured in Australia was 15,000 of the 18-pr. variety. But, by May, 1915, Germany was producing 250,000 shells per day, most of them high-explosive.³⁰ When Great Britain, by the united efforts of her arsenals, her national

³⁰ Speech of Mr. Lloyd George, House of Commons, 20 Dec., 1915.

ammunition factories, and the engineering shops which were requisitioned for this work, was putting her full energies into shell production, her output was greatly in excess of this achievement; and from 1914 to 1918 the British workshops produced a total of 218,280,586 shells.

In June, 1916, a cablegram from the High Commissioner put an end to this activity in Australia. Sir George Reid conveyed a message from the Minister of Munitions expressing his appreciation of Australia's effort, but intimating that the difficulty of keeping distant manufacturers in touch with constant changes in requirements and design was felt to be too great. It was also now certain that production in Great Britain was meeting requirements, and, the Munitions Minister advised, "Australia will be able to afford the most valuable aid at the present time in assisting to meet local demands for various products of the engineering and electrical trades which would otherwise be obtained from the United Kingdom." The Minister for Defence therefore concluded that it was useless to proceed with shell manufacture, and the order to stop was given on June 30th. All completed shell was accepted, and what was in process of manufacture was paid for according to the cost of the operations performed. The net cost of the experiment was approximately £100,000; that is, £120,000 gross, less about £17,300 realised on account of shell delivered to the Ministry of Munitions. The sudden stoppage of shell manufacture also subjected the Commonwealth to claims for compensation. Though such claims may not have been legally enforceable, the Minister decided that it was fair to take into consideration disturbances of existing plant, purchase of special machinery and adjustment of workshops to enable shell manufacture to be undertaken, and such claims were investigated and adjusted by expert advisers.

There was no foundation for reports which were circulated at the time to the effect that the Commonwealth Government ceased ordering shell because of defects in the steel supplied from the Newcastle Steel Works, or imperfections in the shell manufactured. No steel was accepted unless it passed the prescribed tests, chemical and physical, which were rigorously enforced by the Department's inspectors. When the steel supplied was in the form of $3\frac{1}{2}$ inch bars, it was liable to show

the faults known technically as "rokes, flaws and ghosts." The same difficulties appeared in steel produced in Great Britain and Canada when it was cast in bars of that size and afterwards turned in the lathe. The defects were avoided afterwards by shaping shell bodies in forging presses instead of turning them. But satisfaction was expressed by the English experts with the quality of the steel; and indeed large quantities of Australian steel bars were purchased by the Ministry of Munitions. Nor was there dissatisfaction with the workmanship. Reports received from London declared workmanship and finish to be excellent. Such reports were furnished with respect to every consignment, and they were critical when imperfections were observed; but such reports as "satisfactory in all respects" were the rule.³¹ In all some 17,900 tons of munition steel were supplied from Newcastle and none was rejected.

Australia's main effort to assist in the manufacture of the larger weapons and munitions of war eventually took, as will be explained in a later section of this chapter, quite a different, and a most interesting, form; but after the Federal Munitions Committee ceased to function, on the determination not to continue manufacturing these requirements of war, the Commonwealth Government found it to be necessary to appoint a Directorate of Munitions to carry on some of the projects which had been initiated by the committee.³² The directors were charged with the duty of scrutinising trade exports and imports, partly to prevent any supplies reaching the enemy, but also to keep a controlling hand over various products. A list of prohibited exports was published (29th June, 1916) and the Department of Trade and Customs referred to the Directorate all applications to export the commodities specified in the list. They included glycerine and the raw materials for its manufacture, such as tallow and copra, because glycerine is an essential ingredient in the making of cordite;³³ the inclusion of copra was found to be injurious to the trade of

³¹ An equally justifiable attempt was made to manufacture bombs when they were urgently needed in Gallipoli. By the time when they were sent, however, they were out of date, and they were eventually tipped into the sea.

³² Messrs Walter Letch and Marcus Bell were the first directors. On Mr. Bell's transfer to England in Feb., 1917, Mr. R. J. Lewis was appointed, and in July, 1918, Mr. A. McKinstry also joined the Directorate.

³³ See Chapter XIV, pp 545-6

the Pacific Islands, and the prohibition was afterwards lifted to permit of the copra trade with America being retained. Soap, tar distillation, caustic soda, soda ash, and some other goods were controlled by the Directorate, which also acted for the Government in regard to the export of various commodities which were required in South Africa, Great Britain and France. After the war the functions of the Directorate were carried on by the Munitions Supply Board, a purely departmental agency.

III

As might be expected, in view of the reputation of Australians for independence of thought and disregard of authority, there is ample testimony to their inventiveness during the war. This was particularly noticeable in the A.I.F. The first notable invention of the "diggers" was the "periscope rifle"—not the only one of the kind, but the only one that was put to important use—by means of which snipers in previously impossible positions were enabled to beat the Turks by firing with their own heads well below the parapet.⁵⁴ This device was invented in the Anzac trenches and manufactured on the Beach. The Australian part in inventing or adapting the pedrail, the spear-point pump, and other devices used in the desert operations in Sinai is well known. The Mining Corps introduced many useful devices in France. But many were undoubtedly lost through the absence, until 1916, of an organisation for sifting soldiers' suggestions; until the invention of "tanks," the munitions experts had been sceptical as to the capacity of non-experts to produce devices worthy of serious consideration. An Inventions Board was then established, and so great was the influx of suggestions from the A.I.F. that Brigadier-General Griffiths, in charge of Administrative Headquarters in London, obtained the concurrence of the War Office to the establishment of an A.I.F. Inventions Research Section, with an experimental ground of its own. The officer-in-charge of this (Lieutenant Geake),⁵⁵ in a report on its activities, has claimed:

It is a matter of historical knowledge that the valuable suggestions made by the A.I.F. forces averaged two to one as against the suggestions from all other sources. This became more noticeable when the O.C., Australian Section, was invited to take a seat on the

⁵⁴ See Vol. II, pp. 250-1.

⁵⁵ Capt. W. H. G. Geake, M.B.E. Officer i/c, A.I.F. Inventions Research Section, 1917/19. Research engineer; of Killara, N.S.W.; b. Reading, Eng., 23 Feb., 1880.

British Inventions Board, where suggestions from all over the world were received daily.

A second and very distinct difference existed in the suggestions emanating from the A.I.F. troops the uncanny soundness and seemingly instinctive sense of appropriate functioning; so much so that when the stresses and constructional details were mathematically worked out, they were found to be almost identical with the original rough drawings.

Lieutenant Geake instances the case of an Australian soldier in France, Corporal Muirhead,⁸⁶ who for six months had been working on a model for a device for reloading the drums of Lewis guns. When he came to London on leave he brought it with him, only to find that the same device had just been invented by someone else, and its manufacture had begun. In such cases, to soften their disappointment, inventors were sometimes invited to tackle one of the problems for which G.H.Q. or the War Office had requested a solution. Muirhead was accordingly asked if he would care to tackle the problem of averting the constant jamming of machine-guns through shrinkage of their ammunition belts—a task on which, it was explained, all the great nations had for many years been experimenting.

Muirhead's reply (says the report) was that he would like to have a week or two on it, and, to the utter amazement of all hands at the research station, he turned up the following morning, having worked all night, with a model constructed of fencing wire, clothes pegs, and a picture hook, which was absolutely sound. He was immediately taken on the strength of the section. The finished model was constructed within two weeks, when Muirhead reported that he wished to entirely scrap his new idea and alter the whole practice of machine-gun belt construction. His alternative suggestion, which would have saved thousands of lives had it been made earlier, was that the belt be constructed of paper and discarded after once using. The whole idea was so transparently right that models were at once constructed and functioned perfectly.

The method was adopted and the belts were being produced within six weeks of the invention.

Some Australian inventions made at the front, such as the steel machine-gun cupola designed by General Hobbs, the Varley smoke bomb, and the Wackett sight⁸⁷ for anti-aircraft work, were well known, but many of the most effective efforts of Australians in this direction were made in British government workshops and laboratories where there were employed large numbers of Australian chemists and engineers

⁸⁶ Cpl. A. R. Muirhead (No. 244, 8th M.G. Coy). Seaman; of Adelaide; b. Glasgow, 1882.

⁸⁷ Invented respectively by Lieut. A. S. Varley (of Newcastle, N.S.W.) and Captain L. J. Wackett (of Townsville, Q'land)

whose achievements were indistinguishable from those of their British colleagues. In sound-ranging and wireless telephony Australians are said to have made valuable discoveries, especially Major Bragg,³⁸ Sound Ranging Adviser in France; and the devices for emitting the smoke screen for the Zeebrugge raid were in part designed by them. Among the most important inventions from the A.I.F. were the anti-aircraft indirect fire instruments of Lieutenant Worsfold³⁹ who elaborated them as a stretcher-bearer in the 9th Field Ambulance, and who after transfer to London became assistant superintendent (and eventually superintendent) of the experimental station at Imber Court. In the general field of war industry, the work in Australia of such men as A. J. F. de Bavay⁴⁰ in the manufacture of acetone from molasses, and H. W. Gepp⁴¹ in the electrolytic zinc industry in Tasmania, is well recognised.

It was not always the fault of the inventors that devices of the utmost value were not actually made use of. The classic example was that of the design for a "tank" submitted by L. E. de Mole⁴² to the British War Office two years before the war. This was afterwards discovered to be in many important aspects closely similar to that of the tanks produced from 1916 onwards. The British Royal Commission on Awards to Inventors which sat after the war found that

the credit of designing and producing . . . the "Tanks", as actually used, was to be attributed to Sir William Tritton and Major Wilson,⁴³ who in fact carried out their work in the latter part of the year 1915 and the early part of the year 1916; and it was recommended that a large award of £15,000 should be made to them. On the other hand, it was found that a Mr. L. E. de Mole, an Australian engineer, had made and reduced to practical shape, as far back as the year

³⁸ Major W. L. Bragg, O.B.E., M.C.; Royal Horse Artillery, and Royal Engrs. Fellow and Lecturer in Natural Sciences, Trinity College, Cambridge, 1914; Langworthy Professor of Physics, Victoria University, Manchester, since 1919. Of Adelaide; b. Adelaide, 31 March, 1890.

³⁹ Lieut. A. Worsfold. Manufacturer; of Strathfield, N.S.W.; b. London, 13 Dec., 1870.

⁴⁰ A. J. F. de Bavay, Esq., O.B.E. Consulting brewer and bacteriologist; of Kew, Vic.; b. Vilvorde, Belgium, 9 June, 1856.

⁴¹ Sir Herbert Gepp. General Manager, Electrolytic Zinc Coy. of Australasia, 1916/26, Chairman, Development & Migration Commission, 1926/30; consultant to C'wealth Govt., since 1930. Chemical, metallurgical, and mining engineer; of Melbourne; b. Adelaide, 28 Sept., 1877.

⁴² L. E. de Mole, Esq., C.B.E. Engineer; of Melbourne and Sydney; b. Adelaide, 13 March, 1880. (The War Office is said to have received, in October, 1914, from de Mole's former chief, Colonel G. W. D. Breadon, a letter reminding it of his designs and suggesting that he should be sent for. This was not done. De Mole served with the 10th Bn. A.I.F.)

⁴³ Major W. G. Wilson, C.M.G.; Tank Corps. Chief of Design, Mechanical Warfare Dept., during war. Engineer; of Winchester, Eng.; b. Dublin, 21 April, 1874. (Sir William Tritton was an agricultural implement maker of Lincoln, England; b. 1876.)

1912, a brilliant invention which anticipated, and in some respects surpassed, that actually put into use in the year 1916; and that this invention was in fact communicated at the time to the proper Government Department, but was not then appreciated and was put aside and forgotten. . . . We regret that we are unable to recommend any award to him . . . a claimant must show a causal connection between the making of his invention and the user of any similar invention by the Government.

Although de Mole, who served as a private in the Australian infantry, missed a large reward, as his invention had not "directly or indirectly" been brought to the knowledge of the British inventors, he was granted by the British Government £965 for out-of-pocket expenses, and was decorated.

It was an Australian engineer, G. A. Green,⁴⁴ who giving up an important position in New York to join the British Army, quickly rose to be Deputy Chief Mechanical Engineer of the Royal Tank Corps in France. After contriving to be in most of the important tank engagements at the front, he was made a member of the Inter-Allied Tank Commission.

An example which may be held to rival de Mole's is that of the respirator produced by three professors of the University of Melbourne in June, 1915, within two months of the first German gas attack, and embodying the principles not of the crude gas-helmets which had to suffice the British Army for more than a year from that time, but of the highly efficient respirators which first came into general use in the summer of 1916. Upon the publication of the cabled newspaper reports of the attack in April, 1915, Messrs. Orme Masson, Osborne,⁴⁵ and Laby,⁴⁶ professors respectively of Chemistry, Physiology, and Natural Philosophy, undertook an inquiry and on June 21st submitted their report to the Minister for Defence. This pointed out the probable ineffectiveness of any method of attempting to disperse or deal with the gas-cloud as a whole, and the necessity of equipping every front-line soldier with a fool-proof apparatus comprising a metal canister filter, with chemical purifier, air tubes, and mouthpiece for inhalation, nose clips, and eye goggles, the whole designed to exclude gas and admit sufficient pure air for a man undertaking physical exercise. It has been claimed that the twelve

⁴⁴ Major G. A. Green, M.C.; Tank Corps. General Manager of Fifth Avenue Coach Company, New York. Engineer; b. Sydney, 1882.

⁴⁵ Professor W. A. Osborne. Professor of Physiology (since 1903) and Dean of the Faculty of Medicine (since 1929), Univ. of Melbourne; b. Holywood, Co. Down, Ireland, 26 Aug., 1873.

⁴⁶ Professor T. H. Laby. Professor of Physics, Victoria University College, Wellington, N.Z., 1909/15; Professor of Natural Philosophy, Univ. of Melbourne, since 1915; b. Creswick, Vic., 3 May, 1880.

principles laid down in this report "would need little alteration if re-stated to-day in the light of the knowledge which has been obtained in the 18 years which have elapsed since." The experimenters had a trench dug in the university grounds, and filled it with poisonous fumes. The respirator which they invented was tried on as many of their friends as they could induce to go into the trench. Their device was successful, and 10,000 gas masks were made to their pattern. As might have been expected, similar experiments had already been made in Great Britain, and it was not found expedient to continue to make respirators in Australia; the fate of the 10,000 sent to Egypt is told in *Volume III*. But had machinery existed for collaboration and the swift interchange of ideas, the work of these Melbourne scientists would have been of the greatest advantage to the British Army.

IV

The Commonwealth Government desired that as far as possible the armies in the field should be clothed and equipped with articles of Australian manufacture. The uniform of the Australian soldier had been carefully designed and in many respects did not suffer from comparison with that of any other troops.

The jacket of khaki colour was devised before the war as the result of consultations between medical and physiological advisers, and officers of the Defence Department. The shirt which had recently been adopted, instead of a tunic, for the local forces was discarded as being unsuitable for service oversea. The intention was to give the soldier a garment which should be comfortable, serviceable, and hygienic. The pattern of the tunic of the British infantryman was deliberately abandoned as being tight, stiff, and enveloping the body in a case of cloth which did not allow of a circulation of air between the fabric and the skin. The Australian military jacket was therefore made loose, giving free play to the arms, room for chest expansion, and ease about the neck. The collar was designed to permit of air being admitted to the neck. The back had a yoke made of two layers of cloth to protect the upper part of the spine from the sun, and below the yoke was a pleat to allow of "letting out" if shrinkage occurred. The jacket was made of pure Australian wool,

woven to produce a tough fabric capable of sustaining the maximum of rough wear, and it was fitted with four big pockets on the outside as well as an inner pocket to hold a first-field-dressing. The garment was one of which the Australian soldier was justifiably proud. Whether on the march or in the trenches, whether on the sands of Egypt in a hot, dry climate, or in the trenches of France subject to frequent drenchings, he was more comfortably clad than any other soldier with whom or against whom he was fighting,⁴⁷ and never had occasion to feel that his own field service uniform was inferior to any with which he could compare it.

This jacket, and the Australian military hat, gave to the Australian armies their distinctive appearance. The hat was a substitute for the British helmet or field service cap. It was soft, easy in its fit, giving shade when that was requisite, and a warm covering to the head under cold conditions. It was, indeed, a hat as nearly as possible like that worn by thousands of Australians in their ordinary civil occupations, and it was the crowning mark of the Australian soldier, the cachet of his nationality wherever he fought;⁴⁸ and if it was also the hat which he obstinately would not touch in salute when he met a "brass-hat" who was not of his own army, that also was one of his little peculiarities, quite understandable to those who knew his temperament and social outlook, if somewhat shocking to those of his superiors who set store by the military conventions.

It was noticeable that whereas before the Landing at Anzac Australian troops were often rather pleased to affect the style of British regulars by wearing British helmets and tunics, after the first few months of active service they would wear no uniform but their own. The British uniform—which differed in having a short jacket, brass buttons, and coarse tweed slacks—was associated in the mind of the average Australian "Digger" with the acceptance of a status of social, as distinct from merely professional, inferiority to his officers, and he would not wear it if he could possibly avoid

⁴⁷ See John Masefield's foreword to *Jacka's Mob*, by E. J. Rule

⁴⁸ The badge of the A.I.F., though proudly worn by all its members as the "Rising Sun"—symbolic of the young nation in the Southern Ocean—was actually a development from the sheaf of swords and bayonets, chosen by Gen. Hutton (apparently with the assistance of Cols. J. S. Lyster and H. J. Cox Taylor) in 1902 as emblem for the 1st Aust. Commonwealth Horse. (Memoranda by J. L. Treloar, R. A. Peacock, and others).

it; nor would many of his officers. Men would hold on to their Australian tunics until these almost fell from their backs, rather than obtain British "issue" from ordnance. The Australian cloth and hats were dyed a peculiar pea-soup shade, but the dye of some consignments (which, rightly or wrongly, were supposed by the troops to have been manufactured in Europe) was defective and quickly faded to grey and even to a faint pink. Yet this motley wear was prized, even by some generals, in preference to the smartest turn out from Regent-street.

Apart from the policy of the Commonwealth Government it was not, of course, necessary that these cherished garments should be produced in Australia. The cost of fitting out a soldier before he left Australia was variously estimated at £40 and £50, and parts of his outfit required to be renewed every three months, at a cost of about £12 per man yearly. The War Office was prepared to accept responsibility for seeing that Australian troops were properly clothed and equipped, and was ready to supply at cost price articles from the stores accumulated for the use of the British Army. But on several occasions contracts made in England, for the supply of articles in which Australian Administrative Headquarters was deficient, had to be cancelled because of insistence upon the principle that the articles should be furnished from Australia. Strenuous efforts were made to give effect to the policy and a large measure of success was attained. It was claimed in a departmental report that no unit had embarked which was "deficient in any single article of clothing or equipment which would in any way impair its fighting efficiency," though almost every item of clothing and equipment for the expeditionary forces was produced in the country.

But to make this policy of self-sufficiency completely successful, the closest co-operation was requisite between the organisation in Australia which controlled the despatch of supplies, and that in England which distributed them, and which was charged with the duty of seeing that the soldier was not short of necessaries. This co-operation failed at certain periods, with unfortunate consequences. Headquarters in London blamed the Quartermaster-General's branch of the service in Australia for not sending sufficient supplies. That branch blamed the headquarters staff for not giving timely

intimation of what was required. A duel of sarcastic blame and defence ensued, in which the polite formality of official correspondence broke down and blank cartridge was replaced by epistolary shrapnel. The Quartermaster-General's branch was able to point to the achievement of shipping 20,000 hats within eleven days of the receipt of a cablegram informing it of a shortage; Headquarters maintained that there ought to have been no shortage, and that, when this did occur, the Australian soldier should not be made to suffer, but the articles required should be immediately purchased where they could be readily obtained.

Colonel R. M. McC. Anderson, then commandant of the Administrative Headquarters, A.I.F., London, pointed out in 1916 that there was "danger of dropping between two stools in the matter of clothing supplies," and that, in fact, is what did happen. In 1918 General Birdwood, in an emphatically worded despatch, felt compelled to invite attention to the position in which his troops found themselves in regard to supplies. At the date of writing (March 14th) they were short of over 11,000 hats, nearly 12,000 jackets and 2,200 pairs of breeches. "For several months we have not received anything like our requirements." It was pointed out that trouble would be likely to arise in Australia if it were published that the men were not receiving sufficient supplies to enable them to be "decently clad." If a guarantee could not be given, it would be necessary to make contracts in England, leaving the accounts to be settled subsequently. This was a clear threat by the G.O.C. that if his men were not adequately supplied, he would disregard the policy and authorise the purchase of supplies wherever they could be obtained.

With the qualification that in France clothes of British Army pattern could have been obtained if Australian troops had consented to wear them, the complaint was justified. There is documentary material to prove that many of the troops were "ragged," and this is confirmed by personal testimony of men from all the States of the Commonwealth. One statement out of many may be cited. "Ragged?" echoed a soldier from Victoria when asked a question years after; "Yes, I should say that I was. I was for four days at Pozières going about without a seat to my breeches, an object

of ribald comment by officers and 'diggers,' until I wangled a new pair from the British lines." Another soldier observed that when King George V. inspected the troops it was by a dispensation of Providence that His Majesty did not take a back view. The irony of the situation was that while the Australian troops were short of clothing it was possible to obtain an abundance of everything required at a much lower price than the cost of the articles which could not be procured. Colonel Anderson pointed out (21st September, 1916) that, while the jackets brought from Australia cost, landed in England, between 28s. and 30s. each, he could obtain garments "of better workmanship" for 14s. each.⁴⁹ On the cost of 10,000 jackets per month for a year, the monetary saving alone would therefore be £90,000, whilst the supply would be regular and dependable.

A similar case occurred in regard to leather equipment. The War Office—and the troops themselves—found that better service was derived from the use of a stout webbing, which was cheaper than leather and much more suited to campaigning conditions in France. For a time, however, troops arriving from Australia were equipped with hide belting, which on becoming wet stretched and slipped. Soldiers on the march found that their heavy packs instead of remaining at the shoulder, slipped low down on the back. Colonel Anderson therefore telegraphed (24th August, 1916): "I strongly urge you to cease manufacturing leather equipment. It is double the cost of the web equipment and not nearly so serviceable in the field." Whatever the motives that dictated the providing of leather equipment, it is certain that it was for a time done at the expense of the Australian soldier, who hated the leather kit. It was quickly discarded in the field, the disadvantages being intolerable when better equipment was to hand.

Boots mean much more to the soldier than perhaps any other article of his equipment, because the stress of war falls more heavily upon his feet than upon any other part of

⁴⁹ Many incidentals even of the Australian made clothing, e.g. braid, canvas, cotton, whalebone, linen, hooks and eyes, wadding, celluloid, and gold cord had to be imported.

his body. Mr. Kipling gave poignant expression to the British infantryman's feelings on that subject when he wrote one of the most vivid of his service songs—

"I—'ave—marched—six—weeks in 'Ell an' certify
It—is—not—fire—devils—dark or anything
But boots—boots—boots—boots—movin' up an' down again.
An' there's no discharge in the war!"

There was much controversy among experts as to whether the Australian service boot was inferior to the British boot. An English report confidently stated that the boot supplied to the British regiments was "the finest boot in the world." An equally confident Australian expert reported that "Australian boots are absolutely the most comfortable ever issued, and the men receive comfort and correct fit." There was a real "Battle of the Boots" between rival experts, whose reports upon the departmental file make amusing reading and testify to the conflicts which can rage even about plain matters of fact and experience among men who are undoubted authorities in their trade. Lieutenant-Colonel Leane⁵⁰ was instructed to report upon the reports, especially in view of a complaint that had been made that 3,000 pairs of Australian boots were worn out after two marches.

A non-expert reading these reports with a view of determining what was the probable truth may conclude that the differences of opinion arose from making comparisons between boots that had not endured the same kind of service. A pair of boots which had been several times saturated, and the wearer of which had to march in them several miles over rough cobble-stone roads, went to pieces. Thus, Colonel Leane found that the 3,000 pairs of which complaint was made were worn by the men of a division which had come out of a sector where their boots had become sodden; and, after they had marched from the Somme to the northern area, there was no repairing material available. Consequently, when a parade was ordered, 3,000 men were ineffective because they were without boots. But the same officer also inspected boots which

⁵⁰ Col. E. T. Leane, C.B.E., V.D. Asst. Director of Ordnance Services, Aust. Corps, 1918; Administrator of Norfolk Island, 1924/26. Assurance manager; of Sydney; b Prospect, S. Aust., 25 Aug., 1867. Died 27 Aug., 1928.



19 AUSTRALIAN MUNITION WORKERS ON ARRIVAL IN ENGLAND BEING ADDRESSED ON
BOARD THE TRANSPORT BY A REPRESENTATIVE OF MINISTRY OF LABOUR

Lent by Sir Henry Barracough

To face p 258.



20 AUSTRALIAN MUNITION WORKERS AND THEIR FAMILIES (ON BOARD S.S. *Port Macquarie*)
EN ROUTE TO AUSTRALIA, AT THE END OF THE WAR

Lent by Sir Henry Barnard

had covered 250 miles and gave no evidence of undue wear. He compared them with boots which had been clump-soled with English leather over the original soles, and these showed the same conditions of wear.

The best judges were probably the infantry, and among them Australian boots were always at a high premium on account of their comfort. The owner of an English factory who had repaired more than 60,000 pairs of Australian boots for the A.I.F., and many thousands of British boots, reported that in his opinion the sole leather of the former was more porous than that of the British army boot. But the design of the Australian boot was considered generally to be very good, particularly in respect to the pliability of the upper leather. During the campaign in Sinai and Palestine there was never any complaint about the pattern or material. On the contrary, the boot was lighter in weight than the British service boot, and was perfectly adapted for hard wear in a dry climate. The difference of opinion arose when the wet conditions of winter warfare in France imposed on footwear a strain which was extraordinarily destructive. The boot was probably too light at first, but the thickness of the sole leather was afterwards increased and the watertight tongue made higher. These improvements gave the Australian soldier a boot which satisfied the officers of the A.I.F. and more than satisfied their men.

The boots were not made in Government workshops, but by twenty manufacturing firms in different parts of the Commonwealth. The average monthly delivery was 100,000 pairs, which was found to be sufficient.⁵¹ There was never any difficulty in obtaining as many pairs as were required, but the large demands made upon the leather resources of the Commonwealth caused some uneasiness in the early part of the war. The Government found it to be necessary to prohibit the export even to Allied countries of heavy hides suitable for tanning leather for military purposes, but this embargo was afterwards lifted on an undertaking being given by the Master Tanners' Association that the army requirements would be adequately met.

⁵¹ For the export of similar boots in the last year of the war see p. 545.

The output of the Defence Department's factories engaged in the production of military material during the war is shown by the following table :

Factories			Number of Hands	Cost of Raw Material	⁵² Value of Manufactured Goods
<i>Clothing—</i>				£	£
1913-14	..	..	439	114,982	164,714
1914-15	..	..	714	159,546	237,587
1915-16	..	..	701	180,153	269,440
1916-17	..	..	505	177,792	234,834
1917-18	..	..	668	259,568	347,656
1918-19	..	..	498	233,540	331,855
<i>Harness—</i>					
1913-14	..	..	168	33,724	62,835
1914-15	..	..	283	78,651	119,060
1915-16	..	..	441	177,287	253,888
1916-17	..	..	171	102,606	166,007
1917-18	..	..	142	58,704	87,858
1918-19	..	..	152	69,160	82,026
<i>Cordite—</i>					
1913-14	..	..	84	10,638	42,360
1914-15	..	..	96	11,888	44,858
1915-16	..	..	137	26,234	83,950
1916-17	..	..	161	29,270	73,677
1917-18	..	..	183	25,222	91,849
1918-19	..	..	138	41,300	82,199
<i>Small Arms—</i>					
1913-14	..	..	361	6,973	70,863
1914-15	..	..	454	13,428	172,956
1915-16	..	..	1,238	46,892	328,312
1916-17	..	..	1,378	49,245	339,070
1917-18	..	..	1,166	42,371	298,252
1918-19	..	..	1,247	41,490	391,182
<i>Woollens—</i>					
1915-16	..	..	210	39,751	45,053
1916-17	..	..	245	85,881	128,068
1917-18	..	..	256	67,655	145,275
1918-19	..	..	256	88,400	174,019

In 1918 there was also established, on the Brisbane River, a factory for the manufacture, from waste molasses, of the acetone required for the production of cordite. To develop

⁵² From Departmental information and reports in *Commonwealth Parliamentary Papers, 1920-21, Vol. III, pp. 134-145.*

this process, the Minister for Defence employed Mr. A. J. F. de Bavay, famous for his work in the recovery of zinc. In June, acetone was supplied from Australia for Indian munition works.

From every point of view the most important of these establishments was the Small Arms Factory at Lithgow. Situated in a coalfield in a deep valley in the Blue Mountains, where an industrial pioneer had long since planted the first steel factory in Australia, these works in the early years of the war saved Australia from complete exhaustion of the supply of rifles. At the outbreak of war the British Government requisitioned 17,500 rifles that were being manufactured for the Australian Government in London. The first contingents of the A.I.F. required most of the British rifles then in Australia. The Lithgow factory was only just coming into production, and could not be expected to turn out much more than 12,000 a year. Early in 1915 the Defence Department found that it could equip reinforcements only by taking rifles from its home defence army, and by the end of the year all these would be exhausted. As this made it difficult to offer more troops for service at the front, early in April, 1915, the British Government was appealed to. The reply (June 17th) was that Great Britain could not at that time equip even her own trained troops. The Colonial Secretary suggested that Lithgow should work double shift, and this was done; but, even so, the output was only 2,000 rifles per month, and the monthly reinforcements then required at least 5,000. The War Office promised to supply rifles as soon as possible. In July it agreed to send them for all reinforcements from October onwards, and thus the crisis passed. A year later the War Office stated that it was able to meet all requirements of dominion forces. When the Lithgow rifles were first used in the field, complaints were made of certain tightness in action. Steps were taken later to remedy this defect.

Regarded as war establishments, the Defence Department's factories of cloth and equipment, as well as those of munitions, justified their existence. They manufactured necessary material in large quantities. Whether the goods which they manufactured could have been obtained cheaper and of better

quality either by purchasing in England or by tender from Australian manufacturing firms is a question about which there was difference of opinion. As has been already shown, the factories were established as part of the policy of the Government to make Australia as far as possible self-reliant in respect to the supply of her armies; but, with the arrival of peace, the handing over by the British Government of large war stocks of arms, the necessity of disposing of great stores of clothing and equipment, as well as pursuing a rigid economy, the considerations were materially changed. Some of the factories, if they continued, would have to compete with the peace-time industries of the country. In 1922, the Minister for Defence in the Hughes Government, Mr. Massy Greene, came to the conclusion that the Woollen Factory at Geelong ought to be closed as a Government institution, and made an announcement to that effect. He stated that the Ministry had made up its mind that it would not use the Geelong mills "for competition against private trade, and therefore sale was the best alternative."

Mr. Scullin,⁵³ on behalf of the Opposition, challenged this policy by moving in the House of Representatives that the proposed sale did not meet with the approval of the House.⁵⁴ The confessed object of the Opposition was to retain the factory in order that it might manufacture cloth not merely for supplying the needs of the Commonwealth service, but also for sale to the public, the "nationalisation" of "all principal industries" being an objective of the Labour Party. But the Cabinet held the view that "the legitimate functions of government were exceeded" when manufacturing for the supply of the public was conducted. The total requirements of the government service did not exceed 80,000 yards of cloth per annum. The woollen factory was not an economical means for the manufacture of that quantity, as, with its complete plant working, it was capable of an output of 600,000 yards per annum. Mr. Scullin's amendment was rejected by 33 votes to 16. In the Senate also the policy of the Government

⁵³ Rt. Hon J H Scullin. M.H.R., 1910-13, and since 1922; Prime Minister of Australia, 1929/31. *Journalist*, of Richmond and Ballarat, Vic; b. Trawalla, Vic., 18 Sept., 1876.

⁵⁴ *Parliamentary Debates*, XCIX, 359.

was challenged by a motion submitted by Senator Lynch,⁵⁵ condemning it for deciding to dispose of the woollen mill without the consent of Parliament; but that motion was defeated by 16 votes to 5. Public tenders for the purchase of the factory were invited in July, 1922. The highest offer was £130,000, which was not considered satisfactory. It was therefore decided to invite fresh tenders, and the result was that the Government sold the factory to the Federal Woollen Mills Proprietary Limited for £155,000. The sale included land, buildings and plant, the stock in hand being taken over by the purchaser at a valuation.⁵⁶

In 1923 the Bruce Government made it a matter of policy that factories which were not necessary for the making of products for service requirements should be closed. Accordingly, the harness factory also was closed down and sold. But the clothing factory, the small arms factory, a small arms ammunition factory purchased from the Colonial Ammunition Company, and the cordite and acetone factories were retained, although some of them only with nucleus staff. These formed the backbone of the organisation which, as must now be explained, was eventually established under the Munitions Supply Board.

V

During the middle years of the war a project was launched for concentrating the manufacture of rifles and of field-guns in a central government arsenal, thus making use of the opportunity, which, it was conceived, was offered by the munitions crisis, for rendering the country self-supporting in the provision of guns and shells as well as in that of rifles and small arms ammunition. The small arms factory had already been established at Lithgow in the Blue Mountains before the site of the future capital of Australia had been settled. When Canberra was selected, some members of the Federal Government and of the public held the opinion that the expansion of this industry, which was obviously necessary,⁵⁷

⁵⁵ Hon. P. J. Lynch. M.L.A., W. Aust., 1904/6; Member of C'wealth Senate, since 1906; Minister for Works & Railways, Nov., 1916 to Feb., 1917; President of Senate since 1932. Farmer; of Three Springs, W. Aust.; b. Newcastle, Co. Meath, Ireland, 26 May, 1867.

⁵⁶ *Commonwealth Parliamentary Papers, 1923-4, IV, 295*

⁵⁷ The cordite factory, for example, was considerably expanded

should take place on Federal territory and that the rifle factory itself should eventually be transferred to Commonwealth lands near Canberra. In May 1915 the manager of the Government cordite factory, Mr. Leighton, had been sent to England in connection with the extension of that factory, but was there requisitioned by the British Government for very responsible duties in its own munitions service, which was then strained to the utmost. He advised the Commonwealth Government that its inquiries relative to the establishment of an arsenal should be made not in England—where, indeed, the authorities were too preoccupied to attend to them—but in India. The British Government made a polite suggestion to the same effect, and accordingly, with the consent of the Indian Government, an “arsenal committee” visited India towards the end of 1915.⁵⁸ On its return to Australia it selected for the arsenal a site beside the Murrumbidgee River, eight miles south of Canberra, at a point where a large amount of water could be impounded by a dam. Early in 1916 the choice was approved by the Government. The neighbouring homestead of Tuggranong was purchased, and was to furnish temporary quarters for the staff. Mr. Leighton was, in July 1916, appointed general manager. He was, however, then acting as a principal technical adviser to the Ministry of Munitions, and the British Government pressed that his work should not be disturbed.

Meanwhile, towards the end of 1915 Major Barraclough,⁵⁹ in civil life professor of Mechanical Engineering at the University of Sydney, who was proceeding to England at his own expense, had been commissioned by the Minister for Defence and the Federal Munitions Committee to meet and confer with the Arsenal Committee in India, and subsequently to obtain additional information in England as to the manufacture of guns up to 4-inch calibre; in particular he was to inquire as to the necessary arrangements concerning

⁵⁸ Its members were Colonel P. T. Owen, Commonwealth Director-General of Works, President, Professor H. Payne (Melbourne University), Messrs. B. T. McKay (general manager of a large Queensland works) and Marcus Bell (chemical adviser to the Defence Department), and Major H. B. L. Gipps (R.A.G.A.), with Mr. T. T. Pearson (Defence Department) as secretary.

⁵⁹ Col. Sir Henry Barraclough, K.B.E., V.D., P. N. Russell Professor of Mechanical Engineering (since 1915), and Dean of the Faculty of Engineering (1924/33), Univ. of Sydney; Senior Assistant Censor, N.S.Wales, 1914/15; in charge Aust. Munitions and War Workers in U.K., 1916/20. B. Sydney, 25 Oct., 1871.

gauges, standardisation, and similar problems. Like Leighton, Barracrough on reaching England found that, while everyone was ready enough to help him, all whom he consulted were puzzled as to why the Australian Government should choose that particular time for developing its arsenal. It was then realised in Great Britain that, although the war would very possibly last into 1918, the immense preparations necessary for winning it must be completed by 1917, and the whole industrial effort of the nation was being concentrated upon this task; it was taken for granted that—so far as the provision of arms and munitions went—no thought, time, or money should be devoted to any other purpose. As far as winning the war was concerned, the establishment of the Commonwealth arsenal, an expensive and complex undertaking, could not, during the war, possibly return any result commensurate with the effort involved. The strain to expand the British works may be judged from the fact that Barracrough found that, when making his investigations at Woolwich Arsenal—then employing 70,000 people—he was only one of over 200 officials who, with full credentials from other countries, departments, or factories, were making similar inquiries. The colossal local demand for machinery rendered it almost impossible that machines should be allowed to go to the other end of the world for problematic use, even if the authorities could turn from their vital tasks to consider the scheme. Prices were at their highest, and the necessary supply of highly trained labour was completely unobtainable—on the contrary, every industry in Great Britain was crying for workers. An industry, in which accuracy was so vital as in the making of cannon, could not be established without highly skilled labour.

It was this consideration that suggested independently both to Leighton and to Barracrough a different method by which the Australian Government might help itself and Great Britain in the munitions problem. Britain could not export skilled British chemists, engineers, or manual workers, but there was never such an opportunity for Australians to be trained there. Leighton was impressed by the need and the opportunity for chemists; Barracrough by those for workers in general. Private works that previously competed were pooling their brains and their processes in the common effort. Fitters were

being brought from America. Vickers & Sons Ltd. and other firms had already recruited about 1,000 "tradesmen" in Australia, and found them excellent men—far above the average, so their representative told Major Barracrough; in the situation then existing, it seemed to Barracrough that 1,000 good workers from Australia would be even more valuable than a battalion of infantry. Mr. Lloyd George,⁶⁰ Minister of Munitions, when consulted, said that he could take and would welcome as many skilled men as came; a number had already come from Canada and South Africa.

Accordingly on Leighton's advice, with the approval of the Australian Government, the Ministry of Munitions recruited in Australia large numbers of chemists. Before the end of 1915 they began to arrive, and by October, 1916, over 100 chemists and some draughtsmen had thus been sent. Leighton also advised the Commonwealth to send to England the men selected for the future heads of its munitions supply staff, with a view to their gaining experience and pursuing inquiries. Meanwhile Barracrough also, in a report presented in June, 1916, had advised the Minister that the best way of helping the British munitions effort and the future inauguration of the Australian arsenal would be to send to Great Britain not merely the intended heads of departments, but as many Australian workers as possible. After consideration by the Federal Munitions Committee and a special committee of the Defence Department, the Australian Government offered, as a trial, to despatch at its own expense a party of 150 munition workers. The offer was accepted, and Barracrough was placed in charge of this part of the enterprise and sent to London to make arrangements for installing the first 76 workers who left Australia in September, 1916. On arrival, the men were handed over to the Labour Supply Department of the British Ministry of Munitions, which allotted these and all subsequent arrivals to those works which the employment exchanges, operating all over the country, notified as being in greatest need of labour, or to those tasks which were from time to time starred as the most pressing at the moment in the

⁶⁰ Rt. Hon. David Lloyd George, O.M., M.P. since 1890; Chancellor of Exchequer, 1908/15; Minister of Munitions, 1915/16; Sec. of State for War, 1916; Prime Minister, 1916/22. Of Criccieth, Wales, b. Manchester, Eng., 17 Jan., 1863.

national programme.⁶¹ The British Government had stipulated that the Australian workers should take their place in British industry without any distinction from British workers, with the same rates of pay and other conditions, and that, above all, any trouble with them *as Australians* should be avoided. The men were paid, when in work, by their employers and had at all times to maintain themselves. It was intended by both Governments that the responsibility of the Australian Government should practically cease with the allotment of the men to work, to be resumed only when the time came to repatriate them.

The acceptance of the first offer was followed by request after request from the British Ministry of Munitions for further contingents. The British labour market had been denuded of much of its best personnel by the heavy drain, for army and navy, and the Australian tradesmen, coming from a less depleted reservoir, were then particularly valuable. After the first three batches had arrived, a critical situation arose throughout Great Britain in consequence of the shortage of unskilled labour for the heavier tasks. For many undertakings the only supply left was that of elderly or unfit men, or of boys, and was so inadequate that the work of skilled men was constantly held up. Even the employment of the Australians now arriving was thus being hampered. Accordingly, at the request of Sir Stephenson Kent,⁶² Director-General of Labour Supply to the Ministry of Munitions, the Australian Government was asked if it could provide contingents of labourers or navvies, organised in the same way as the munition workers. These were duly sent, but under a somewhat different agreement with the men, the Commonwealth Government guaranteeing them a wage of £2 os. 6d. By the end of the war, over and above 3,000

⁶¹ The urgency of the situation may be gauged from the statement in an official report that "not only were firms strictly rationed in the matter of their supply and labour, but every employment exchange was required to report by telegram or telephone whenever a skilled workman appeared in the office, in order that they might receive instructions as to the name of the firm to which that workman should be directed."

⁶² Sir Stephenson Kent, K C B. Director-General of Munitions Labour Supply, 1916/18, Controller-General of Civil Demobilisation and Resettlement, 1918/19. Company director; of Nutley, Sussex, Eng., b London, 22 Feb., 1873.

munition workers, more than 2,200 labourers, mostly selected by the Australian railway authorities and organised as "Australian War Workers", had thus been sent. In addition, several hundred men discharged from the A.I.F. as physically unfit were enrolled in England, and a large proportion of the men previously selected by private firms were associated with them by the granting of a badge and certain other privileges. Over and above Mr. Leighton's chemists, 42 of the munitions workers were very highly qualified men,⁶³ suitable for works managers and other responsible posts, and classed as "specials." Also throughout Great Britain Australians who had come there at their own expense were holding high posts in munition works or laboratories.

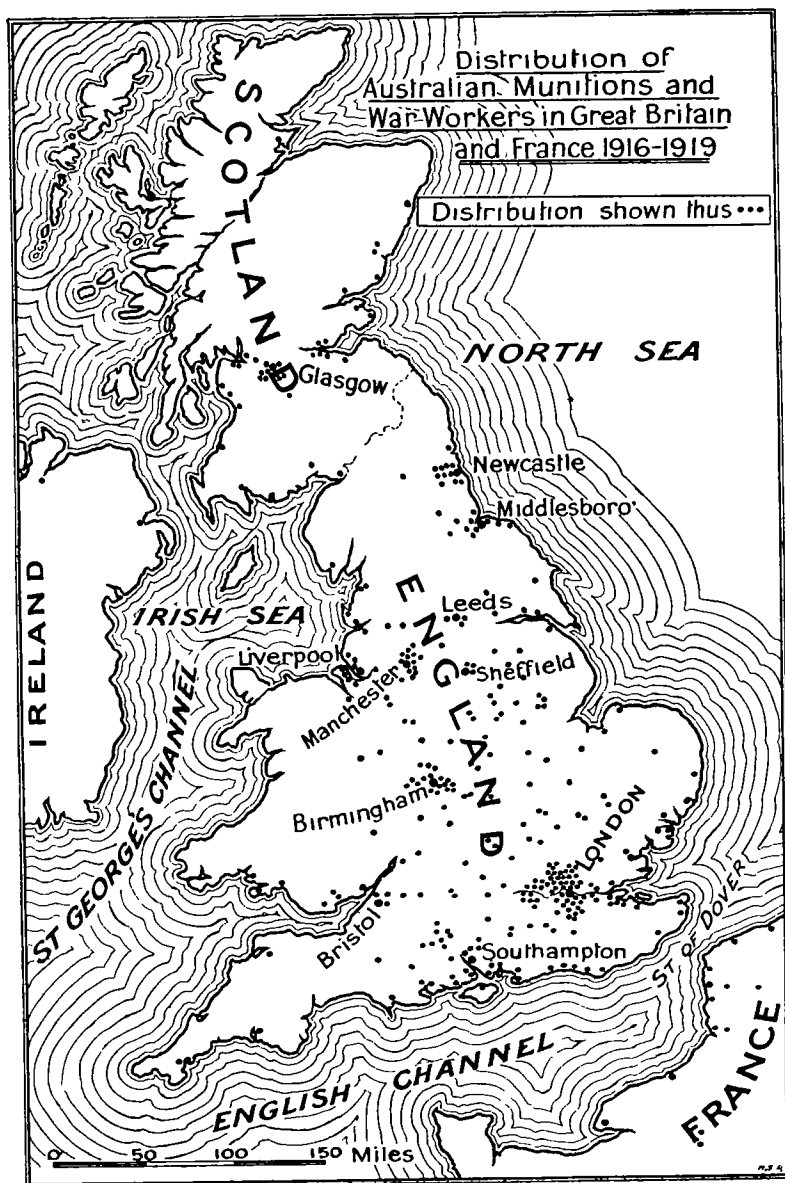
The total of the Australian munitions and other war workers oversea was thus some 6,000.⁶⁴ The British Government asked for many more. The Admiralty, which had many of them working at Rosyth, was particularly appreciative, and urged that another 500 should be sent over specially for ship building; but the Commonwealth Government, having a programme of building ships in Australia, refused the request. Of labourers, 5,000 were asked for, and it was said that 10,000 could be taken. These numbers were not approached, but, as was remarked by a senior official of the Ministry of Labour, after seeing the last shipload returning to Australia, the results of the scheme were "altogether out of proportion to the numbers of the men." Owing to the huge expansion of British industry and the dilution of labour, a fair proportion of the Australian munition workers were in key positions, and, in spite of an effort to keep them in larger groups, they were eventually scattered between no less than 743 different firms and departments, and the war workers through 494.⁶⁵ Some 200 carpenters were sent to France, whither all were eager to go—chiefly to Boulogne and St. Omer, where a few became war casualties.

⁶³ An official of the British Ministry of Labour reported "So far as their industrial value is concerned . . . from one or two of the groups we might have staffed a factory from the manager downwards. As a matter of fact, this ideal was almost reached with two or three firms in the aircraft industry."

⁶⁴ Those recruited in Australia included 75 blacksmiths, 143 boiler-makers, 125 bricklayers, 757 carpenters, 530 fitters, 304 joiners, 87 plumbers, 230 turners, 102 chemists, and 2,222 labourers and navvies.

⁶⁵ See *Vol. XII*, plate 259.

Map No. 1.



As with almost all Australian contingents, the quite outstanding reputation won by the majority was constantly marred by the behaviour of a small proportion of thoroughly bad characters. Endless trouble also arose through the inclusion, notwithstanding a medical examination, of a considerable proportion who were physically unfit. No less than 600—over 10 per cent.—had to be sent home for reasons of health. They included men with consumption, with rupture, and with defective limbs and other obvious causes of unfitness. One firm reported that 25 per cent. of the Australian labourers sent to it were “a very poor lot and certainly caused a lot of trouble;” another 25 per cent. were “very indifferent,” and “not physically fit.” The remaining 50 per cent. were “as good as any we had on the works We could not wish for better.” Barraclough’s own estimate of all the men, based on a large mass of data, was—

	Munitions workers.	War workers.
(a) First class men—a credit to the Commonwealth ..	75%	65%
(b) Mediocre men ..	15%	20%
(c) Men of absolutely no use at all—chiefly due to physical incapacity, .. but including	10%	15%
(d) a percentage of thoroughly bad characters (say)	4%	6%

Had it not been for the quite deplorable defects in selection, which allowed many unsuitable men to slip through, the reputation won by the Australian workers would have been even more gratifying; as things were, despite these elements, the impression made by them as a whole was quite remarkable. Most employers agreed that their characteristic qualities were resourcefulness and adaptability. A considerable proportion of them was employed by the great aeroplane manufacturers

The Sopwith Aviation Company, which had 55, mainly fitters and wood workers, wrote:—

The standard of skill (of these men) has been remarkably high in all trades, and at least three of the Australians here are undoubtedly the most highly skilled work people in our employ.

Output: very good . . . ;

time keeping: excellent . . . ;

adaptability: . . . considerable intelligence shown throughout the whole of their work;

shop discipline: good at all times . . .

The Nieuport and General Aircraft Company, which employed 160 of them, reported:—

Degree of skill. Exceptionally skilful . . .

Output. They have to a great extent set the pace in our shops.

Time keeping. Quite good . . .

Adaptability. An especially strong point with Australian workmen. (The report then cites the example of a number of plumbers who at first resented being put to engineering, but agreed to try it. A number of these "have proved to be some of the most efficient fitters and fitter erectors that we have seen in our seven years' experience. We naturally ascribe this to the fact that the men in certain parts of Australia have to tackle any job that comes along, whereas in this country . . . workmen specialise.")

Shop discipline. Excellent. They have on many occasions acted as an active restraint on some of our hot headed young workmen.

The Coventry Ordnance Works said that the Australians were "classed among our best men."

The officer-in-charge of civil construction work at Rosyth dock said that in adaptableness their work was "considerably above the average."

English labour at home was naturally not everywhere at its best during the war, and reports from some employers note the energy of the Australians compared with "go slow" tactics of particular elements of their local labour. The majority of the Australians had come overseas with the determination of helping to win the war, and in a few instances their energy brought on them the disfavour of gangs working beside them. The Australians had pledged themselves to avoid differences with British workers, and they endeavoured to avoid trouble; but one gang which, for these reasons, was actually attacked by a neighbouring gang, set to and, having soundly defeated it, turned about and

similarly broke up another gang, working on the other side of it, which had been "giving it some lip." One of the London staff, Mr. Patten,⁶⁶ formerly a member of the Commonwealth Parliament, was hurriedly summoned from London to deal with the "riot." The men expressed to him regret at having broken their promise, but one of them asked him, speaking "as man to man, what would he have done in similar circumstances." It remains to be said that this gang and its neighbours thereafter became excellent friends.

The anticipation that the Australian Government would be practically free from responsibility for these men when once they were employed under British Government arrangements proved as vain as the similar expectation in the case of the original contingents of the A.I.F. The men had no homes in Great Britain, and when they became ill—as large numbers of them did—and also in the intervals of unemployment, the Australian authorities could not refuse responsibility for them. Moreover, the war workers had undertaken to pay a part of their wages overseas to their dependants in Australia, and this provision had to be, as far as possible, enforced. In addition, when strikes occurred in British factories—and they were more frequent than was generally supposed—the Australian workers, although they adhered to their agreement and themselves practically never struck, were in a most difficult position. Nearly all were loyal and convinced trades-unionists. In such cases help or advice was needed, and the men often appealed to their own headquarters. In addition, records had to be kept of their experience and skill, and postal matters, and even the opportunity for each man to record his vote in the Federal election of 1917 and the referendum held the same year, had to be arranged. The result was that the small staff which originally controlled them, headed by Barraclough as officer-in-charge⁶⁷—acting under general direction of Leighton—eventually expanded into a miniature administrative headquarters, occupying two houses in Cromwell-road, South

⁶⁶ R. Patten, Esq. President, Farmers & Settlers' Assn. of N.S.W., 1908/14; M.L.C., N.S.W., 1908/10; Member of C'wealth House of Reps., 1913/17. Of Wellington, N.S.W.; b. Brixton, London, 18 Jan., 1859.

⁶⁷ With Miss M. Masson as secretary. The steamer by which Miss Masson travelled from Melbourne was torpedoed and sunk in the Mediterranean. She was rescued with the other passengers by a following vessel, and arrived in London only a day late.

Kensington, with a medical officer and many other officials, chiefly unfit officers and N.C.O.'s attached to it from the A.I.F., and some 120 women clerks and typists mostly recruited in England. About 200,000 letters were written or received, chiefly to or from the workers, 20,000 interviews given, and difficulties daily smoothed out in conference with munitions officials, employers, or workers. Difficulties arising when the munition workers were unemployed were solved by the Ministry of Munitions paying them its subsistence allowance of £1 15s. weekly. Constant trouble with a few who could or would not support their dependants in Australia were partly met by the good offices of Mr. Campion,⁶⁸ manager of the London branch of the Commonwealth Bank. A great difficulty was that the men's contracts embodied no practical means by which discipline could be enforced by loss of pay. The contract of the munition workers gave much less trouble than that of the labourers, which necessitated constant intervention by the London staff. The wages, which at first were rather low, rose as the war went on, and in 1918 were in many cases increased through permission given by the British Government to men then arriving to register as "War Munitions Volunteers"—that is to say, as men who undertook to work wherever they were wanted.⁶⁹ The earnings of the Australian munition workers in 1918 were said to average £5 a week.⁷⁰ A few were receiving between £8 and £12—but this for very long hours.

A certain number of munition workers and labourers after arrival in England enlisted in the A.I.F. and in the British Army and Navy. In these forces, as also among some of the British workers, there existed at times some latent feeling adverse to that section of the Australian workers who, being of military age, had not offered for military service. This was particularly evident when those who had been working under this scheme returned to Australia, according to their contracts, and the munition workers (but not the labourers)

⁶⁸ C. A. B. Campion, Esq., O.B.E. Manager, London Branch, Commonwealth Bank, 1912/16; of Brisbane, b. Fermoy, Co. Cork, Ireland, 30 Sept., 1863. Died 22 July, 1929.

⁶⁹ They were paid at the rate ruling in the district in which they were enrolled. As the Australians then arriving enrolled in London, where rates were generally highest, they received an advantage.

⁷⁰ This was the figure given by the Australian Munition Workers' Association. Colonel Barraclough placed the average at about £5 10s.

were given cabin berths, whereas the soldiers were not. This feeling did not extend to the large number who were unfit for military service through age or other reasons. All these and many other problems had to be handled by the administrative staff. The cost of that staff, and of the sea transport of the men and even of the special trains that brought them to London, was borne by Australia, and was considerable—the total is given as £446,000.

The whole effort was typical of Australia. Such war workers as Canada sent overseas were organised almost entirely as military labour companies and battalions, and most of Barracough's staff favoured this system, but his own opinion, which was confirmed by the experience of British contractors, was that civil labour in spite of its comparative independence was more fluid and more efficient. Independence and efficiency certainly marked the Australian workers. At the end of the war, Mr. Winston Churchill,⁷¹ then Minister of Munitions, cabled congratulating the Australian Government on "the great success of a unique scheme," and the judgment was probably justified. Whereas the total product of the attempt to make shell-cases in Australia was purchased for £17,000, the product of these Australians, working in England, has been estimated at precisely nine hundred times as much; and, although such figures are highly misleading, they probably err, in this case, by understating the difference. There is no question that the scheme was of very real help to the Ministry of Munitions in its task of helping to win the war. Not only the reaction of these men to their experiences, but that of their English colleagues to them, is full of interest. Among the records is the statement of one British industrial expert, that "things industrial could never be quite the same again in England since these Australian workers visited us." Within a few months of the start they formed their "Association," which functioned efficiently in looking after their social and other needs, and indeed served as a model for others. Even on the solitary occasion on which they had a disagreement with the Ministry of Munitions as *Australians*,

⁷¹ Rt. Hon. Winston S. Churchill, C.H. First Lord of Admiralty, 1911/15; commanded 6th Bn., Royal Scots Fusiliers, 1916; Minister of Munitions, 1917/18; Secretary of State for War, and Air, 1919/21, for Colonies, 1921/22; Chancellor of the Exchequer, 1924/29. Of Westerham, Kent, Eng., b. Woodstock, Oxon, Eng., 30 Nov., 1874.

senior officers of the ministry, says Barraclough, admired "the keen views taken by the men with regard to their conditions of work, and their skill in giving expression to them." The final opinion of two leading officials of the ministry deserves quotation. Sir Stephenson Kent, in a letter to the Colonial Office, referred to "the outstanding excellent behaviour of the workmen."

They set an excellent example wherever they went, and invariably behaved with great intelligence and tact in the extremely difficult position in which they were often placed *vis à vis* their British comrades.

Mr. Park, Deputy-Director of the South of England District office, who personally allocated practically every Australian worker to his task in Great Britain, and whose co-operation throughout was of the utmost value, wrote:

The deepest impression created . . . was the striking individuality of the men. . . . Splendid specimens of manhood, masters of their trades, and, with the buoyant outlook of boys. . . . The men earned golden opinions on this side in respect of both the quality and the quantity of their work.

Except for a small proportion, who were specially released, all the workers had to return to Australia under their contracts. Ships were provided, but not without great difficulty, and largely through the timely arrival, in March 1919, of the Minister for Defence, Senator Pearce, and by the work of Paymaster Commander Parker.⁷² It remains to be said that many British firms were most loth to let the best men go; that with the 6,000 war workers there were shipped over 2,000 dependants, many of them newly acquired; and that the fares of these and of about 1,000 workers, who were not under contract to the Australian Government, were paid by the British Government, which also contributed pocket money for the voyage and a small "settlement allowance." After the last ship had sailed, in November 1919, the following cablegram was despatched by Lord Milner, Secretary of State for the Colonies, to the Governor-General—

I am commanded by the King on the occasion of the sailing of the last boat carrying Munition Workers and War Workers to their homes in Australia to ask you to convey His Majesty's appreciation of the

⁷² Paymaster Commr. C. A. Parker, O.B.E., R.A.N. Aust. Naval Transport Officer, England, 1914/20, of East Kew, Vic.; b. Gloucester, Eng., 17 May, 1879.

value of the services rendered during the War by the men from Australia who volunteered to work on the production of ships and munitions in this country. He understands that the excellent behaviour of these volunteers and the sustained and steady application displayed by them in their work has earned the highest praise.

The epidemic of pneumonic influenza at the end of the war took its toll of the war workers, and was largely responsible for the fact that 67 of them died during their service.⁷³

As has been seen, this scheme was originally part of that for the establishment of an arsenal near Canberra.⁷⁴ The headquarters, first established at the High Commissioner's office in London, was, after consultation between Mr. Leighton, Lieutenant-Colonel Barraclough, and Lieutenant-Colonel Buckley⁷⁵ (military adviser to the High Commissioner), called the "Temporary Arsenal Branch," and one section of it was devoted to inquiries connected with the proposed Canberra establishment. But Mr. Leighton's services were continuously required by the Ministry of Munitions, of which he was now a leading official. In Australia the Defence Department's project of establishing the arsenal at Tuggranong was pursued until 1917. It was estimated to cost £1,440,000, and £100,000 was placed on the estimates for 1917-18. But Leighton had grave doubts as to the wisdom of centralising manufacture of munitions—in England for economic, industrial, and military reasons the policy of development was all the other way. Moreover, there were strong questions as to the suitability of the Canberra district for a big industrial enterprise. The transport of material thither would be costly, and many Australians held that the projected capital city should be developed, if at all, as a centre of learning and research rather than of manufacturing. Major Gibson,⁷⁶ who, after service on Leighton's staff in London, returned to take

⁷³ One, a marine engineer on special duty, was killed on the *Orsova* when she was torpedoed off the English coast on 14 March, 1917. Another, also in special service at sea, died of pneumonia in a Canadian port. Two died of virulent malaria caught when the ships transporting them were at Dakar, sheltering from submarines. The Commonwealth paid all funeral expenses, and maintains all graves.

⁷⁴ See p. 264.

⁷⁵ Lieut.-Col. P. N. Buckley, C.B.E. Military Adviser to High Commissioner in London, 1913/20. Officer of Aust. Permanent Forces; b. 7 Oct., 1867.

⁷⁶ Major A. J. Gibson. Professor of Engineering, Univ. of Q'land, 1910/18. Consulting engineer; of Sydney; b. London, 18 Dec., 1876.

temporary charge in Australia, was charged with Leighton's views on this matter and fully agreed with them. On his representations the project was postponed, and eventually, on Leighton's recommendation, there was adopted a much more feasible scheme of extending the existing factories, and providing the basic institutions required for guiding and using commercial industry when need should arise. In the demand for economies that followed the war, this scheme was not fully carried out; Leighton and his staff, including a certain number of the chemists and other experts that had served overseas, established an organisation for the standardisation, inspection, testing, and other processes necessary for the guidance and expansion of local industry in case of war.

So was inaugurated the practical scheme since operated by the Munitions Supply Board. Most of the 6,000 munitions and war workers were reabsorbed in the civil businesses of the community. Tuggranong homestead, which was to have housed the arsenal staff, still dreams undisturbed beneath its trees far out in the drowsy sheep paddocks, and was for many years used instead by the Official Historian of the war, who required a quiet retreat in which he and his staff could initiate their work upon the first volumes of the present history.

VI

The business operations of the Defence Department did not pass the tremendous test of the war without strong criticism. Defects appeared first in the paymaster's branch, in which the existing military staff had tried to face without superior assistance the immense expansion of its task due to the war. In April, 1915, after securing the advice of Mr. R. M. McC. Anderson, the Minister reorganised the control of this branch.⁷⁷ Much difficulty, however, was experienced in obtaining skilled staffs until, in 1916, a number of public accountants were taken in as officers. Certain irregularities, never fully explored, occurred at this early stage in Egypt. In Australia also it became evident that the immense purchases for the army and navy could not wisely be carried out by the

⁷⁷ Under Lieut.-Col. T. J. Thomas, who shortly afterwards became Finance Member of the Military Board. A report was also made by Colonel J. B. Laing on the A.I.F. pay branch in Egypt (*see Vol. II, pp. 397-8*).

ordinary staff machinery that had sufficed for peace requirements. In the pressure of the early days the senior ordnance officers in the States were authorised to purchase kits and similar necessities for the A.I.F. An important reform was initiated when, in November, 1915, the Minister established a system by which all purchases were made or controlled by a Contract and Supply Board consisting of the assistant secretary of the department, Mr. M. M. Maguire,⁷⁸ as chairman, and two senior ordnance officers.⁷⁹ By taking advantage of its very strong position in dealing with tenderers, breaking down combines, when necessary, and ruling out undesirable contractors, this body constantly prevented exploitation and profiteering at the public expense.

Rumours of irregularities in minor activities of the administration, however, from time to time caused some public anxiety. The prevalence of forgery of soldiers' discharge forms, for example, and the existence of occasional petty peculation, might portend laxness in the great financial operations of the Defence Department. The control was tightened up in certain ways,⁸⁰ but at the beginning of 1917 the discovery of a very serious case of defalcation in the pay branch in Sydney caused criticism to blaze out. There was an impression that the unaided professional and clerical staff of the department was attempting to conduct transactions for which experience of big business was required. When on March 27th Judge Scholes,⁸¹ in giving judgment in the Sydney case referred to, stated that the evidence showed "gross mismanagement and chaos in the accountancy department"—and that £60,000 had actually been passed for payment to a corps long previously demobilised—the demand for an investigation into the whole business administration

⁷⁸ M. M. Maguire, Esq., O.B.E., I.S.O., Chairman of Defence Contract and Supply Board, 1915/18; Secretary, Board of Business Administration, Defence, 1918/19. Assistant Secretary, Dept. of Defence, 1915/36. Of Sandringham, Vic.; b. Carlton, Vic., 16 Nov., 1872.

⁷⁹ The Director of Equipment, Major A. J. L. Wilson, representing the Quartermaster-General, and Mr. J. J. F. Lahiff, senior ordnance officer in Victoria. The secretary was Major J. C. Ormiston. Local purchases of fuel, fodder, etc., up to amounts fixed by regulation, were made by subordinate "District Contract Boards."

⁸⁰ For example, on 19 Jan., 1917, the Minister for Defence decided to change the system, adopted at the beginning of the war, of relying almost entirely upon officers of the citizen forces for district commandants. Four senior officers of the permanent forces were placed in charge in N.S.Wales, Victoria, Queensland, and South Australia. (In Victoria, however, Brig-Gen. Williams was reappointed in a few weeks.) In Feb., 1917, a special board was also appointed to investigate the administration of the pay branch.

⁸¹ Judge E. Scholes, District Court Judge, N.S.W., 1908/33. Of Sydney; b. Armidale, N.S.W., 29 May, 1858. Died. 12 Jan., 1933

of the department became insistent. Accordingly, on July 2nd, Mr. W. G. McBeath,⁸² a Melbourne merchant, Mr. James Chalmers,⁸³ manager of Farmer & Company, Sydney, and Mr. F. A. Verco,⁸⁴ an Adelaide miller, were appointed by the Government to carry out the inquiry.⁸⁵

The commission's first progress report was presented before the end of 1917, but its publication was delayed until February of the following year. This delay increased the public impression that there must be something in the report which the Government desired to hide, and the eventual publication, as well as that of the second, third, and fourth reports, was the occasion for a storm of criticism of the department's methods.

The actual findings of the commission, however, now that they can be calmly considered after the lapse of years, furnish, on the whole, grounds for congratulation rather than for severity in criticism. No major or even minor scandal was revealed. It is true that the commission reported that it had discovered "fundamental defects in the general system which, in the public interest, should have immediate and complete remedy." The chief such defects it held to be an absence of business men in the control of the spending departments; the failure to keep adequate records of the vast stores purchased; the accumulation in Australia and overseas of stocks of boots, jackets, overcoats, and material for them to the value of some £2,000,000; and, in the pay branch, the failure of the authorities to overtake the muddle into which that branch had been plunged in the early days of the war. It was admitted that this muddle lay beyond the responsibility of the officers then controlling the work; that they had made heroic efforts to overtake it; and that the blame must in some degree be shared by the Auditor-General's Department. The control of the staff also came under criticism, although it was recognised that great efforts had

⁸² Sir William McBeath, K B E. Chairman of Disposal Board, A I F., London, 1919/20. Merchant, of Toorak and Mt. Macedon, Vic., b. Fitzroy, Vic., 17 April, 1855. Died 2 April, 1931.

⁸³ J. Chalmers, Esq. Managing Director of Farmer & Co. Sydney, 1914/20, b. Hamilton, Lanarkshire, Scotland, 26 May, 1860. Died 27 Sept., 1920.

⁸⁴ F. A. Verco, Esq. Wheat merchant; of Adelaide; b. Salisbury, S. Aust., 13 May, 1878.

⁸⁵ Mr. Chalmers resigned during the inquiry, and his place was taken by Hon. P. T. Taylor. Mr. W. A. Newman (afterwards Administrator of Nauru) was secretary.

recently been made to secure reliability in the pay staff, 400 employees having been replaced within the past twelve months. The commission also realised that the building up of a competent staff was a gradual and difficult process, and that the expansion—exceeding 2,000—of the staffs in Sydney and Melbourne alone had provided a problem not easy of solution. Its chief recommendation was that a “Board of Business Administration,” consisting of three business men, should be established to take, subject only to the Minister, full control of the business sections of the Defence Department, with somewhat similar subordinate business boards in each State; that an administrative inspector-general should be appointed; that improvement should be effected in the system of accounting; that better accommodation should be provided for ordnance stores in New South Wales, obsolete stocks be sold, excess of surplus stores reduced, the policy of shipping clothing to the troops abroad reconsidered, and an expert army ordnance corps established as in the British Army.

In other respects, the commission found much in the manner and degree of accomplishment which it regarded as fair subject for public congratulation. The system of base records, methods of embarking troops, and keeping personal records, and the administration of the hospitals were highly praised. In the management of all the Defence Department's factories, the commission saw much matter for commendation. At the Woollen Factory “the fullest possible value” for heavy capital expenditure was being obtained; the Clothing Factory was “well and economically managed The highly satisfactory state of affairs reflects great credit on the manager.” The cost of the Small Arms Factory drew some comment.

At eighteen years' distance these reports impress the reader chiefly by the absence of any really vital criticism, and the implied tribute which they furnish to the achievement of the department in its immense task and particularly to the ability and integrity of the overworked and understaffed Contract and Supply Board. The commission found that two members of this board were engaged in their ordinary departmental duties for seven days weekly, and late on each night. Neither the members of the board nor its secretary, indeed, knew

what it was to have leisure, day or night, week-end or public holidays, during the war or for long afterwards. As the commission discovered, the board itself had recommended that it should have business help; and, when the Government took the commission's advice, and appointed a Board of Business Administration with the honoured figure of Mr. George Swinburne⁸⁶ as its chairman, Messrs. C. H. Reading,⁸⁷ H. V. McKay, and W. G. McBeath for members, and—by the recommendation of the Royal Commission—Mr. Maguire of the Contract Board for secretary,⁸⁸ the chief gain was in the measure of relief from overwork and in the refreshing confidence infused into the overstrained staff by Mr. Swinburne's personality. During his tenure of this position the return to Australia of a flood of war invalids, the arrival after the end of the war of Australia's share in the vast stores of arms and equipment, and the sudden necessity of quickly winding up the military affairs of demobilised troops, and reducing staffs, afforded scope for all his business capacity. With his colleague Mr. Reading,⁸⁹ he secured the swift extension of the hospitals and ordnance stores, coincident with the rapid "finalisation" of returned men and reduction of staffs. His influence on the Military Board, of which he was civil and finance member, and on the new Council of Defence,⁹⁰ ensured ready acceptance of his measures. In March, 1920, having finished his war-time work, he resigned, and the department reverted to its peace-time organisation.

Of some of the other measures prescribed by the Royal Commission, the utility proved doubtful. The appointment of Brigadier-General Ramaciotti,⁹¹ an active Sydney business man

⁸⁶ Hon. G. Swinburne. M.L.A., Vic., 1902/13; Minister for Water Supply and Agriculture, 1904/8; Member of Inter-State Commission, 1913/17; Chairman of Board of Business Administration, Defence Dept., 1918/19; Member of State Electricity Commission, Vic., 1919/26. Civil engineer; of Hawthorn, Vic; b. Newcastle, Eng., 3 Feb., 1861. Died 4 Sept., 1928.

⁸⁷ Sir Claude Reading, K.C.M.G. Managing Director, British-Australasian Tobacco Coy., Sydney, since 1917; Director of C'wealth Bank of Aust. since 1927, Chairman of Directors since 1934. Of Woollahra, N.S.W.; b. Sydney, 10 May, 1874.

⁸⁸ District Boards were not established, but the District Contract Boards were strengthened by the addition of business men.

⁸⁹ Mr. McKay and Mr. McBeath retired some months after the Armistice.

⁹⁰ A body established in 1918 with duties somewhat analogous, in a local sphere, to those of the Imperial Defence Committee. Mr. Swinburne's influence was especially effective in securing co-ordination between the military, naval, air, and civil branches.

⁹¹ Major-Gen. G. Ramaciotti, C.M.G., V.D. Commandant, 2nd Military District (N.S.W.), 1915/17; Inspector-General of Administration, Defence Dept., 1917/20; of Sydney. b. Leghorn, Italy, 13 March, 1861. Died 6 Dec., 1927.

and citizen soldier, as Inspector-General of Administration may have furnished an additional safeguard against malpractice, but it complicated administration. The provision of soldiers' clothing from Australia may have been uneconomic and a misuse of shipping space that could better have been used for foodstuffs; but, as we have seen, in March, 1918, four months after the commission's first report had been presented, General Birdwood had to cable that his troops were in extreme need of some of these articles; and one of the first important matters to which the new board had to attend was the urgent replenishment of the very stocks of which the Commission had complained. In short, although it called forth sharp answers at the time, the claim of Senator Pearce that the reports laid no corruption at the door of the army administration, but showed that its task had been achieved with "a very fair measure of success," will almost certainly be supported by the verdict of history.

Unexpectedly, the department in which the investigation furnished evidence of serious maladministration—in this case ministerial—was that of the navy. The actions of the naval and of the regular departmental staffs indeed remained as free from suspicion as in the case of the army; the commission's criticism was directed at a previous minister. In July, 1915, the navy had been separated from the Defence Department, and for the remainder of the war and two years afterward it operated under a minister of its own. The operations of its dockyards have been described in the volume of this history dealing with the navy;⁹² except as regards the expense of ship-building, the admirable work of these establishments under their service staffs received, as it deserved, nothing but appreciative recognition. But the conduct by the Minister for the Navy, Mr. J. A. Jensen, of a transaction by which a wireless factory in Sydney was acquired, occasioned a storm of criticism which resulted in the retirement of the minister, and necessitates reference here.

Early in the war, on the 2nd of March, 1915, the fleet wireless telegraphy officer, Engineer Lieutenant Cresswell,⁹³

⁹² *Vol. IX, pp. 428-31*

⁹³ *Electrical-Commr. F. G. Cresswell, R A N. Of Frankston, Vic.; b. Camberwell, Vic., 12 April, 1880*

reported to the Naval Board his opinion that the Commonwealth should have its own wireless telegraphy workshops, and recommended that those at the Williamstown Naval Dépôt should be extended at a cost of £4,000. No such action, however, had been taken when, in May 1916, Father Shaw,⁸⁴ the lessee of the Shaw Wireless Factory at Randwick, Sydney, who had been endeavouring to sell these works, acting in conjunction with Senator Long⁸⁵ of Tasmania, wrote to the Minister for the Navy offering them to the Government for £57,000. The works had sixteen months previously been offered for £55,000 to the Postal Department, which rejected the proposal. Father Shaw subsequently furnished a valuation of £74,461, inclusive of goodwill. The proposal was not submitted to the Naval Board, and was disapproved by the Third Naval Member, but the Minister secured Cabinet's approval for the making of an independent valuation. This placed the value of the establishment at £60,736. Cresswell concurred with it, but, as the apparatus was partly obsolete, he urged that a fair offer would be £40,000. On it being pointed out by the Minister that this was inconsistent with his concurrence in the valuation, he withdrew this paragraph of his report, and stated that the offer of £57,000 was reasonable, but that probably the Government could buy for a lower figure. On the same day Cabinet approved of the purchase of the company's land, works, and patents for £55,000.

In the difficulty then existing of obtaining wireless apparatus from elsewhere, these workshops had been of assistance to the Government, and, when they were taken over, work was waiting to be done there. Nevertheless the purchase not unnaturally came under immediate criticism from the press. The Sydney *Sun* alleged that the Amalgamated Wireless Company of Australasia in Sydney had contracts to supply all ships on the Australian register for ten years, and that the outside value of the plant employed by it in that part of its manufacture was £2,000. 'Lieutenant Cresswell, however, stood by his opinion and expressed his belief that similar works could not then be erected for less than £80,000,

⁸⁴ Rev. A. J. Shaw. He had, however, dissociated himself from church work and was credited with the intention of becoming a layman.

⁸⁵ J. J. Long, Esq., M.H.A., Tas., 1903/10; Member of Aust. Senate, 1910/18; b. Forth, Tas., 1870. Died 23 Dec., 1932.

and that they were required to produce not only wireless apparatus, but other machinery and equipment required by several departments of the Government. Although question had also arisen as to the validity of the patents, the transfer was hurried on by the Minister, and the purchase money was paid on the 18th of August, 1916. Immediately afterwards Father Shaw, who had fostered these works in the face of financial difficulties which of late had almost overwhelmed them, became seriously ill, and he died on the 26th.

The establishment was taken over by the Government, and during two years carried out works valued at £49,668, including the production of £28,950 worth of wireless telegraphy apparatus. The efficiency of its management as a government factory was not questioned. But, when the Royal Commission inquiring into business administration, having completed its inquiries at the Defence Department, presented its first report on naval administration, it noted that a Minister for the Navy had incurred expenditure "either without reference or in opposition to the Naval Board, and with unsatisfactory and costly results to the Commonwealth." It appeared that the incidents referred to were the purchase of the Shaw Wireless Works, and of two small vessels for the navy.

The commissioners next turned their attention to these particulars. Their report, published in December, 1918, merely set forth their conclusions as to the facts and the bearing of these upon the efficiency of the administration. But it stated that, of the purchase money for the works, £5,300 had been immediately cashed by Father Shaw in large bank-notes, and a considerable portion of this had been paid to Senator Long and the rest to persons unknown. An explanation was given by Senator Long, but the commissioners did not accept it; and although, beyond stating these conclusions, the commission made no charge of corruption against the minister or anyone else, the feeling of the public ran high and Cabinet insisted on Mr. Jensen's retirement from the position of Minister for Customs, which he then held.⁹⁶ No charge was

⁹⁶ After inquiring into the purchase of the two ships, s.s. *Emerald* and s.s. *Togo* (renamed *Phillip*), the commission found that they were purchased by the Minister on his own responsibility; that they were unsuitable for the department at the time of purchase, and that proper trials were not made till after the purchase. The bill of sale showed that, immediately before sale to the Government, the *Phillip* was bought by a private firm for £7,000. She was forthwith transferred to the Government for £7,500.

made against Cresswell. The Randwick works were afterwards transferred to the air force, and later to the Military Board. The machinery was dispersed or sold and the buildings used for a brigade of militia artillery.

With the exception of the instances already mentioned, this was the only matter in which the conduct of these two departments laid itself open to serious charges of mal-administration during the whole of the immense financial and other business operations of the war.

CHAPTER VIII

MATTERS OF POLICY

IN the early months of the war, recruiting did not present a serious problem to those who were anxious that Australia should pull her full weight. Enthusiasm was at boiling point. No special recruiting organisation was required apart from the agencies already at the disposal of the Defence Department. The call for men was urgent, and they came forward in sufficient numbers to fulfil the requirements contemplated. It was not even necessary to have dépôts in country towns whereat recruits might join the army. "Everything went with a swing," as an official report recorded. It is remarkable, too, that, as Mr. Fisher stated in Parliament, 80 per cent. of the men sent abroad were Australian born.

Those who came into the capital cities to enlist had to pay their own railway fares from the places where they lived, and in hundreds of instances they were rejected by the medical examiners during those first months when it seemed that it was expedient to insist upon the highest standards of unblemished physical fitness. Not until public complaints were made as to the injustice of inducing young men to wind up their private affairs and travel perhaps hundreds of miles only to be disappointed, was it determined to establish recruiting dépôts at country centres.¹ No propaganda was attempted beyond that of the newspaper "roundsmen" who daily kept touch with the recruiting staff at each State headquarters. The 52,561 men who enlisted during 1914 were obtained without serious exertion other than that of ministering to the spontaneous enthusiasm which prevailed throughout the Commonwealth; and the 31,881 who actually embarked for oversea service in that year made a total far in excess of the number envisaged as Australia's contribution in man power when the war began.

At the end of 1914 it was stated in Parliament that the Government was making "no special efforts to obtain recruits," that "all we have done is to receive any recruits that came

¹ Senator Millen suggested that there should be country recruiting dépôts in country towns, in a speech in the Senate on 24 June, 1915 (*Debates*, LXXVII, 4274); and the Minister for Defence (*Ibid.*, p. 4288) promised to look into the suggestion and see whether it was practicable, "it appears to be a good idea." But the Minister pointed out that already it was possible for the mayor of a town or the president of a shire council to have a volunteer medically examined locally, and give him a warrant for a railway ticket.

along;”² and it was not denied that this was a correct description. The need for a recruiting campaign did not, indeed, become apparent, or was not officially recognised as such, till the second half of 1915.

But within those months which lay between the departure of the first contingents and the apprehension of the necessity for making special efforts to recruit, many exciting, tragic and terrible things had happened. In February, 1915, the Australian troops had their earliest experience of war in connection with the defence of the Suez Canal, although “no Australian regiment was actually engaged in it,” and the Turkish attack was repulsed mainly by Indian troops.³ In that same month the British War Council resolved upon the policy of launching an attack upon Constantinople by forcing the passage of the Dardanelles; and one result of the developments of this plan was that on April 25th the first Australian troops forced their landing upon the soil which was to be the grave of many thousands of men as gallant as ever fought a foe. That story is fully told elsewhere, and we are concerned with it here not as a military achievement, but as an influence upon the attitude towards the war of people in Australia.⁴

The first intimations that troops from this country had left Egypt and were engaged upon a desperate military undertaking came in a rather bewildering form. On April 29th Mr. Fisher made a brief announcement in the House of Representatives. The landing had taken place four days previously, but so far the Commonwealth Government was not in possession of precise information. The next news, such as it was, came in the tantalising guise of a congratulatory telegram from the Secretary of State for the Colonies, Mr. Lewis Harcourt:

His Majesty's Government desire me to offer you their warmest congratulations on the splendid gallantry and magnificent achievement of your contingent in the successful progress of the operations at the Dardanelles.

This left Australia still aching to know how the gallantry had been shown, where the attack was launched, what the results were, and whether the whole Australian force in Egypt

² *Parliamentary Debates*, LXXVI, 1971.

³ See Vol. I of this series, pp. 140-65.

⁴ *Ibid.*, chaps. XII-XXI; and Vol. II.

had participated in the operations. The Government was, indeed, previously aware that the A.I.F. was being moved to a different theatre of war, but had naturally held that information as secret until it became safe to make an announcement.

To Mr. Harcourt's message the Governor-General replied:

The Government and people of Australia are deeply gratified to learn that their troops have won distinction in their first encounter with the enemy. We are confident that they will carry the King's colours to further victory.

On the following day the Prime Minister was able to announce the receipt of a message of congratulation from the King in the following terms:

I heartily congratulate you upon the splendid conduct and bravery displayed by the Australian troops in the operations at the Dardanelles, who have indeed proved themselves worthy sons of the Empire.

To this the following reply was returned:

The Governor-General, with humble duty to Your Majesty, and on behalf of the Government and people of the Commonwealth, offers thanks for gracious message of congratulation. Australia is proud to know that her troops have earned such high commendation from their King. The people of the Commonwealth continue steadfast in the resolve to place all their resources at Your Majesty's disposal to maintain the unity and safeguard the welfare of the Empire.

Mr. Winston Churchill, First Lord of the Admiralty, telegraphed:

On behalf of Board of Admiralty, I desire to express our heartiest congratulations on the brilliant and memorable achievements of Australian and New Zealand troops at the Dardanelles. Admiral telegraphs that the Fleet is filled with intense admiration at the feat of arms accomplished by the Army.

The Governor of New Zealand, Lord Liverpool, telegraphed the congratulations of the Dominion:

I desire on behalf of New Zealand to convey to you the pride which this Dominion feels in being so closely associated with the forces of the Commonwealth in the present great undertaking in the Dardanelles. It rejoices that the two forces have so signally distinguished themselves.

To that message the Governor-General replied:

On behalf of the Commonwealth, I thank your Excellency for this fresh testimony to the strength of the bonds which unite Australasia. Our pride in the valour of our men is increased by the knowledge that New Zealand's sons have fought shoulder to shoulder with them and shared the glory on the field of battle.

It was evident that the Australian troops had played some not undistinguished part in an important operation at the Dardanelles—but for further details the Australian people had to wait. No more than a bare explanation was given in the official *communiqué* on April 29th.⁵ Rumours from Athens and Egypt followed. Throughout the campaign these two sources were to produce a flood of inaccuracies. On May 3rd there began to arrive the long lists of Australian casualties that were not to cease for three and a half years. But it was not until May 8th that a despatch—which a colleague, H. W. Nevinson,⁶ described as “the most vivid piece of war-corresponding that I know”—from the British war correspondent, Ellis Ashmead-Bartlett, threw, both for Australians and for all the world, a flood of light over the landing at Anzac.

The casualty lists had thrown into mourning homes in all parts of the country. Between the feeling of exultation at the gallantry of the attack upon the Turkish positions on the Peninsula, and the personal grief at the long lists of losses, Australia experienced the keenest alternations of emotion. During the ensuing months, those whose relatives formed part of the field army knew that a stern and bloody conflict was raging on the ridges between the Dardanelles and the Ægean. The casualty lists were long. In May came the news of the death of General Bridges, which those in Australia who had known him and esteemed his high intelligence and splendid military virtues, felt as a tragedy transcending the personal loss. Both Houses of the Federal Parliament passed resolutions expressing deep regret and recording appreciation of the great services of the general. “Since all men must die,” said Mr. Fisher in submitting the resolution in the House of Representatives, “no greater honour can fall to the lot of any of us than to die fighting for King and country;” and Senator Pearce, who from intimate association was in a better position to appreciate the merits of Bridges than any other public man, paid an eloquent

⁵ “Some days ago the Australian War Expeditionary Forces were transferred from Egypt to the Dardanelles. They have since been landed and have been in action at the Gallipoli Peninsula. News reaches us that the action is proceeding satisfactorily.”—Mr. Fisher, in the House of Representatives.

⁶ H. W. Nevinson, Esq. Journalist, official war correspondent, and author, of London; b. Leicester, Eng., 11 Oct., 1856.

tribute to his brilliant qualities. "He was a man who was not easily approachable and did not make many friends, but he was one of whom it can be said that he would give an honest opinion whether it was a pleasant one or not. He was a scholarly soldier, who made a life study of his profession, and his merit was acknowledged not merely in Australia but overseas as well." Those two sentences admirably concentrate a characterisation of Bridges which is singularly true.

In April, 1915, the month in whose last days the bare news of the Landing reached Australia, the total figures for recruiting were the lowest up to that date, namely 6,250. During the last five months of 1914 the monthly average had been 10,512. In January, 1915, the number was 10,225; in February 8,370; in March 8,913. But the figures leapt up again to 10,526 in May, to 12,505 in June, and to 36,575 in July, the highest total recorded in any month during the war.

It is necessary to examine the cause of these fluctuations. First, it is interesting to observe that the results from voluntary recruiting began to be disappointing in Great Britain at about the same time as in Australia. The same phenomena were witnessed there; the first flush of national enthusiasm brought into the training camps the courage of eager youth. But by October, 1915, the difficulty of obtaining sufficient recruits was causing great anxiety, and Lord Derby⁷ had been appointed Director-General of Recruiting. The British Government so far was opposed to the adoption of compulsion. The Prime Minister, Mr. Asquith,⁸ was stated to have "the strongest antipathy to any compulsory system," though admitting that if Lord Derby's scheme failed "other schemes would have to be tried;" and Mr. Bonar Law, in the House of Commons in November, evidently had a hope that compulsion might be avoided when he said that "it would be something to look back upon with pride if we won the war under a voluntary system."⁹

In Australia, when once the troops of the country were engaged in a critical struggle with the enemy, the need for

⁷ Rt. Hon. the Earl of Derby, K.G., G.C.B., G.C.V.O. Director-General of Recruiting, 1915/16; Secretary of State for War, 1916/18, 1922/24; Ambassador to France, 1918/20. B. London, 4 April, 1865.

⁸ Rt. Hon. the Earl of Oxford and Asquith, K.G. Prime Minister of Great Britain, 1908/16. B. Morley, Yorkshire, 12 Sept., 1852. Died 15 Feb., 1928.

⁹ *Annual Register*, 1915, pp. 164 and 179.

reinforcement became more evident. The recruiting figures spontaneously increased at once by about 4,300 in May, and by another 2,000 in June. But was this expression of the patriotism of individuals all that was required? The general situation of the Allies was not reassuring; the struggle was evidently going to be long and difficult. It obviously called for extreme efforts, and in May and June, 1915, dissatisfaction with the recruiting system began to be fairly widely and sometimes bitterly expressed. This feeling was voiced in Parliament by Sir William Irvine on July 2nd, when he moved the adjournment of the House of Representatives in order to bring forward the question of "the urgent necessity of a more definite and systematic basis of organisation of recruiting and the supply of munitions." Speaking in view of the prospect that "the war may last for years," Sir William advocated the compulsory registration of all men, "not necessarily for military service, but for the purpose of ascertaining what they are able to do in the great crisis that is now upon us." Asked whether he intended that the registration should be made with a view of compelling men to go out of Australia, he replied that "the time has not arrived for that, but it may arrive;" "the time may come," he repeated, "when we shall have to follow the lead of France and Belgium and call to the colours all men of military age." For the present, however, it was in his opinion sufficient for the Government to say that so many men per month were required; "we have the names of all eligible men on our register, and we shall select, by lot, those whom we shall invite to join the colours," but "they need not go against their will."

The Prime Minister's reply was that there was no insuperable difficulty about the compilation of such a register as Sir William Irvine had suggested. As a democracy, he thought, "we have been proceeding on unscientific lines, not only in regard to war purposes, but also for civil purposes." But he was clearly afraid of political difficulties if the register was to be used as an instrument of compulsory service; "what we do cannot be done on political lines;" and beyond this somewhat cryptic doubt Mr. Fisher contented himself with expressing the conviction that "the young men of

Australia who are fit and free should offer themselves to the recruiting sergeant, and if they are accepted as fit they should take their part with their mates in the fighting line."¹⁰

The debate led to no immediate practical result, but it served the purpose of manifesting the feeling that the time had come when more organised effort should be infused into recruiting. Towards the end of June recruiting meetings were spasmodically organised by other than government authority in Sydney and elsewhere. But the mainspring of organised action was a message received on June 18th from the British Government: "Every available man that can be recruited in Australia is wanted."

Actually, this message came in reply to one from the Australian Government, which asked the home government whether it would accept as many men as could be raised, even if the Australian supply of rifles did not suffice for equipping them. The British Government's message was read out by Senator Pearce at a meeting in Melbourne. He expressed his opinion that the Allies were in difficulties on every front, and asked: "Have we done all we can do?"

The fortnight from Monday, July 5th, was devoted to a recruiting campaign in Victoria, where recruiting had been especially backward. This effort had the remarkable effect of raising the enlistments in that State from 1,201 in April, 1,735 in May and 3,381 in June, to 21,698 in July, a result which was mainly instrumental in producing the largest recruitment (for July, 1915) of any month during the war. Many members of Parliament took part in the campaign, and many more would have done so if Mr. Fisher had accepted a suggestion that Parliament should adjourn for a week to enable members to apply themselves to encouraging recruiting in their constituencies.

The effort in Victoria was immediately followed by campaigns in the other States, in all of which the result was a large, though not so sudden, increase in the flow of recruits. Thus, in New South Wales the figure rose from 5,279 in June to 8,961 in July, 12,991 in August, and 6,911 in September. These efforts evoked some opposition to the movement. When, however, on August 4th Sir William

¹⁰ *Parliamentary Debates*, LXXVII, 4571, 4575.

Irvine pointed out that "in Melbourne, Sydney and other parts of the Commonwealth persons are permitted, week after week, to address large meetings of their fellow citizens urging them not to enlist, or to take part in the war," Mr. Fisher replied that he was "quite unconscious of any serious feeling in the direction suggested by the honourable member," except for one or two references in the newspapers. When pressed, he said that those persons who talked in the manner described were no more than "a negligible fraction of the community." Asked whether he would announce publicly, "in clear and emphatic terms," that the conduct of any persons who urged others not to enlist was a form of treasonable practice, the Prime Minister replied that he declined to declare to the people that unless they obeyed the law they would be punished; "that fact is known to every citizen, and a mere threat would be worthless." But the Government would take action if supplied with information which would enable the Government to charge any person "with a violation of the law affecting recruiting or anything else."¹¹

Mr. Fisher's difficulty was that the opposition to the recruiting movement emanated from persons who were generally sympathetic to the policy of the Labour party. He was deeply anxious to support the general effort in the war, and he did not wish to risk open disunion in that support. One of his own parliamentary followers, Mr. F. Brennan,¹² made in Melbourne a speech which was construed as discouraging to recruiting. It involved Mr. Brennan in a personal quarrel with Mr. Watt, leading to a somewhat excited parliamentary explanation, and a challenge to Mr. Watt that if he would enlist Mr. Brennan would do the same, subject to certain conditions.¹³ In reply to a parliamentary question, Mr. Fisher expressed disapproval of an observation of Mr. Brennan, remarking that he "deplored the utterance in question," and that Mr. Brennan had made "a grave reflection on our defenders;"¹⁴ but the Prime Minister never showed himself to be very much concerned as to the necessity of

¹¹ *Parliamentary Debates*, LXXVIII, 5560.

¹² Hon F. Brennan MHR, 1911/31 and since 1934. Attorney-General, 1929/31. Barrister and solicitor, of Melbourne and Bendigo, Vic, b Sedgwick, Vic

¹³ *Parliamentary Debates*, LXXVII, 4636 and 4738.

¹⁴ *Parliamentary Debates*, LXXVIII, 6149.

stimulating recruiting even by voluntary means. He was satisfied with things as they were down to the end of his term of Prime Ministership, and did not think it necessary to follow the example set in Great Britain by the appointment of a Director-General of Recruiting. No such appointment was made till November, 1916, long after he had ceased to be Prime Minister.

The decline in the recruiting figures after August, 1915, was due to several causes. The figure for August—25,714—still afforded evidence that the enthusiasm was well maintained; but in September there was a drop to 16,571, and in October for the first time since the Gallipoli landing there was a slump to four figures—9,914. By that time the hopelessness of the Dardanelles campaign had become apparent. Towards the end of September the existence in Gallipoli of a strong undercurrent of dissatisfaction with the command of Sir Ian Hamilton and his staff came under the grave consideration of the Committee of Imperial Defence in London, and on October 11th it was determined to recall him. Despite the rigours of the censorship in Australia it had become widely realised that all the gallantry and loss of life on the blood-soaked Peninsula was unlikely to be rewarded with a gleam of success. What was revealed then was trivial in amount and in accuracy of detail compared with what was afterwards published, but the very paucity of information created a feeling of mystery and doubt, which undoubtedly reacted upon the disposition to enlist. In Parliament public men displayed self restraint and reticence, and from all sides came appeals to the young men to follow the example which had led to the name of Anzac becoming blazed upon the sky as one of glorious significance. But still the uneasiness prevailed. It was naturally fanned by the open opponents of recruiting, whose efforts continued unchecked.

Then, too, there was dissatisfaction caused by the allegations as to the defective conditions and unhealthiness of the large training camps at Liverpool, New South Wales, and Broadmeadows, Victoria.¹⁵ The complaints as to high mortality at Liverpool were not justified, but they were

¹⁵ See pp 228-30.

believed by many people, and this fact cannot be overlooked in accounting for the decline of recruiting in the winter of 1915. Grievances as to the condition of the Broadmeadows camp, including an allegedly abnormal amount of sickness and mortality there, were likewise officially denied;¹⁶ and, although admittedly the ill-drained condition of the mud-flats of Broadmeadows made conditions uncomfortable, the reports were probably much exaggerated. These camps, however, were in the most populous States of the Commonwealth, and consequently those from which the largest number of recruits must necessarily be drawn. The currency of the grievances connected with them, which lost no distressful element in being repeated from mouth to mouth, naturally had a deleterious effect upon the voluntary effort to maintain the army at its highest point of effectiveness in respect to numbers.

It is this consideration, rather than any very serious deficiencies in the military camps, that gives importance to the complaints. Senator Gardiner, who made a close examination of them, reported that he had been through seven military camps, pursuing his enquiries without assistance from the officers, "and although I questioned group after group of men, I heard no serious complaint." "To my oft-repeated question, 'Any complaints?', the most general complaint seemed to be that it was a hardship to ask the men who had given up good positions, where they were earning good money, to serve the country, and give, if necessary, their lives in that service, to ask them to pay their railway fare when visiting their homes." Senator Pearce, explaining the decline of recruiting in Victoria prior to June, 1915, said:

It is a fact that recruiting has not fallen off in the other States to the same extent that it has in Victoria. Why? Because there has not been the storm of criticism and misrepresentation in the other States that there has been in Victoria. Take the State of New South Wales for example. Heavier rain has fallen there than has fallen in Victoria. As a result the men were washed out of their beds one night at the Liverpool Camp. Yet there was no outcry—no demand to shift the camp. The men came out of their tents, got their clothing dry, and went back without grumbling.

¹⁶ *Parliamentary Debates, LXXVII, 3558, 3791, 4599.*

Nevertheless the reports of Mr. Justice Rich upon the complaints of Mr. Orchard showed that there was much to be remedied. The removal of the Victorian camp to Seymour was a timely concession to a prejudice, which even inculcated the belief that those who enlisted and went into camp at Broadmeadows ran a serious risk of dying before they had any chance of reaching the fields of warfare. There did occur about this time several fatal outbreaks of cerebro-spinal meningitis, which, however, became more severe at Seymour than they had been at Broadmeadows. According to the official medical history of the Australian forces, in the year ending 30th June, 1916, no less than 256 recruits in Australia had died from this disease. The outbreaks were ultimately recognised to be due to overcrowding in tents, and their decline began as soon as this was recognised and overcrowding was prevented.

It was at this time that preference in Government employment, upon return from the war, began to be held out as one of the inducements to enlist. This provision originated, strangely enough, in the Fisher Government's original policy of preference to trades unionists, "other things being equal." That principle was being observed when, in June, 1915, the first batches of wounded men arrived back from Gallipoli. The Government—which included many leading unionists—at once amended the rule, laying down that in Government employment preference was to be given to returned soldiers provided that they joined a union. This decision, however, was immediately reconsidered, and in July, 1915, it was laid down that preference ("other things being equal") would be given to returned soldiers, whether unionists or not.¹⁷ This provision, originally made as an early step in repatriation, became increasingly important as a pledge in the recruiting campaign.¹⁸

II

The seriousness of the military situation facing the British Empire in 1915 aroused doubts in many minds as to whether the voluntary system of enlistment would suffice to enable

¹⁷ The principle then was: preference, first, to returned soldiers; next, to unionists. See speech of Mr. Tudor (Minister for Trade and Customs), *Argus*, 29 June, 1916.

¹⁸ See p. 408.

the war to be waged to a victorious conclusion. The first Australian public man to express himself decisively in favour of conscription in Parliament was the Tasmanian Senator Bakhap,¹⁹ who, speaking in the Senate as early as April 16th, said:

We are told that we should never prophesy unless we know, but I will venture the prophecy that if the war lasts beyond the present year there must be conscription in the Old Country. Australia boasts that she has often shown the way to the Old Country in connection with many things necessary for the development of our civilisation, and I say that it is incumbent upon us to show how the war can be prosecuted on the most sound and economical basis. This is not a popular thing to say. It is not a popular thing for me to go out, as I have done, and say I believe in conscription and in men being sent to the front as a national duty, but I feel that that is what I ought to say, and that I should be a poor custodian of the people's interests if I did not say it. I say it here now, even if it costs me my seat. What if it does? I had a pretty lively existence before I got into Parliament, and hope to have many lively years when I get out of it.²⁰

On June 9th Senator Bakhap repeated his argument for conscription, and he then found a supporter in a Western Australian Labour Senator, P. J. Lynch, who said:

Conscription has no terrors for me. I feel convinced that if a vote were taken of those men whose names are emblazoned in our prints every day, those men whose names appear on the roll of honour, they would vote for conscription, and I believe, also, that the soldiers who are behind the trenches would vote for it. We must not forget that our liberty is at stake. It has been said that the battles of this country are being fought on the field of Flanders just as effectively as if they were fought on the plains of Bourke or in Western Australia. In the event of an attack upon this country, we would have conscription pure and simple, or its equivalent, so why should we hesitate to resort to that policy which we would have to adopt if the battles were fought here in Australia instead of in Europe.²¹

These observations were interesting in themselves, and still more so because they drew a statement of the ministerial attitude from the Minister for Defence. Senator Pearce admitted that it would not be a wide extension of the principle embodied in the Defence Acts to establish conscription

¹⁹ T. J. K. Bakhap, Esq. M.H.A., Tasmania, 1909/13; member of C'wealth Senate, 1913/23. Of Launceston, Tas.; b. Ballarat, Vic., 29 Oct., 1866. Died 18 Aug., 1923.

²⁰ *Parliamentary Debates*, LXXVI, 2393.

²¹ *Ibid.*, LXXVII, 3781.

for the defence of Australia on the battlefields in Flanders and at the Dardanelles. But, he said—

Whilst I admit the force of the arguments put forward, I do not admit that the time has arrived for such action, or that the circumstances would justify Australia in resorting to a system of conscription. As to whether the time has arrived in Great Britain I am not competent to say.

So far, the Minister had confidence that Australia could secure the necessary number of recruits by voluntary enlistment. "I believe," he said, "that in Australia there are still many thousands of fit men who will come forward at the call of the country."²²

In the second half of 1915 the feeling was expressed by many men of influence, outside the ordinary political circles, that the time had come for ceasing to depend upon volunteering. In Sydney a Universal Service League was formed of which the Roman Catholic Archbishop, Dr. Michael Kelly,²³ became a vice-president; and he not only signed the League's manifesto, but also published over his own signature a statement in which he urged that "universal war service is now incumbent as a necessity upon our entire population. . . . I beg to express a hope that the idea of universal war service will be taken up enthusiastically and resolutely by all classes."²⁴ Mr. Holman, the Labour Premier of New South Wales, expressed himself emphatically on the same side. These rumblings of a coming storm alarmed some of the Labour unions, in which there had already been clear manifestations of opposition to compulsory service, and their leaders therefore determined to obtain a pronouncement from the Prime Minister. For this purpose a trade union deputation waited upon Mr. Fisher in Melbourne (September 24th), and asked him for a statement of his views. Mr. Fisher was brief and decisive. He told the deputationists that he was "irrevocably opposed to conscription and was sure he could say his colleagues were."²⁵ Commentators reminded him of his statements both before and after the Federal elections of the previous year about Australia pledging her last man and her last shilling in the great cause.

²² *Ibid.*, LXXVII, 3787.

²³ Most Rev. Dr. M. Kelly. Roman Catholic Coadjutor Archbishop of Sydney. 1901/11, Archbishop, 1911/40 B Waterford, Ireland, 13 Feb., 1850. Died 8 March, 1940

²⁴ *The Sydney Morning Herald*, 11 Sept., 1915

²⁵ *The Argus*, Sept. 25.

Three years later Mr. Fisher, explaining his attitude to a friend, who put it to him that conscription was a method economical in effort and logical and normal for a party professing socialistic principles, said: "I am not blind to the fact that conscription is logical, but men are not logical. It is economical and saves lots of waste—of putting the wrong men in the wrong places—I know and feel all that as well as you do. But men are not logical and you cannot rule them by logic. I never believed that, if conscription were carried in Australia, you could enforce it. I think you would have had terrible trouble if the bill had been passed. . . ."

"There has been great trouble as it is," his friend admitted. "I see your point—instead of getting the recruits, they have only managed to divide Australia into two bitterly hostile camps—the conscription issue has raised furious antagonism."

"I don't believe that it was worth it, to get the few men extra who might have been raised by conscription." He thought that in his own State, Queensland, any attempt to enforce it would lead to open revolt. Naturally, he kept these views to himself and his friends.²⁰

Mr. Fisher in September, 1915, was contemplating a change, both of vocation and location. The High Commissionership in London was about to fall vacant. Sir George Reid had held the office since 1910, when he was appointed for a term of five years, which was extended for a further year from the beginning of 1915. The usual lobby and newspaper speculation was rife as to who would be appointed. Mr. Hughes has stated that he urged his chief to renew Reid's appointment. Mr. Fisher himself gave no intimation of his own ambitions and kept his own counsel, evading direct enquiries by such diplomatic fencing as he displayed in answer to a parliamentary question (August 25th): "I can assure the honorable member that all the information I have on the subject is obtained by me from the press." But none who were politically well-informed doubted that Mr. Fisher's

²⁰ The conversation is quoted from the diary of the Official War Correspondent, under date 24 January, 1918.

glances were directed towards London. Moreover, it was desired by the Government that a change should be made, partly because, as Mr. Fisher said, "no one who has been living out of Australia for five years can be thoroughly in touch with it, and properly and efficiently represent it,"²⁷ and still more, probably, because it was expedient and in accordance with practice that the Government should be represented in London by a High Commissioner who was in close personal touch and sympathy with the Ministry for which he would have to speak.²⁸

Sir George Reid had been, by general admission, a popular and efficient High Commissioner. He had achieved the kind of success that was bound to accrue to a man of his remarkable appearance and tried capacity for making amusing speeches. His broad humour, a never-failing resource, was greatly appreciated by audiences accustomed to the thread-bare platitudes of official oratory. His globular figure and his monocle, which the caricaturists of *The Bulletin* had so often and so cleverly depicted as the concentration point of his several rotundities, became familiar at luncheons, dinners and public meetings throughout the United Kingdom; and his unquenchable jocularity, with that facility for turning trivial incidents into incitements to laughter which had made him the most effective of platform orators when he was amid the turmoil of Australian politics, was equally at command to amuse British audiences. Though a High Commissioner may not be free to explore the range of subjects and the latitude in treatment which are available to a public man untrammelled by the reticence imposed by official discretion, he was never dull in treating those topics which offered themselves for discussion; and it may safely be said

²⁷ *Parliamentary Debates*, LXXVII, 3891.

²⁸ The case is put rather too strongly by Dr. Berriedale Keith, *Imperial Unity and the Dominions*, p. 540: "Sir George Reid was an able politician, if a man of no profound knowledge, great ability, or grasp of principles; but it was absurd to expect that the Labour Party in the Commonwealth, with which he had been at variance all his political life, on finding him in office as a legacy from their predecessors, should trust him with political information." There was no question of lack of trust. The statutory term, for which Sir George was appointed, had expired; and even the Cook Government in the early part of 1914 did not venture to extend his term for more than a year. Section 3 of the High Commissioner Act, 1910, provided that: "The High Commissioner shall be appointed to hold office subject to this Act for a period not exceeding five years from the date of appointment and shall be eligible for reappointment."

that there was no public man in British public life whose speeches were heard with more pleasure than were those of the Australian High Commissioner.

The more serious duties of Sir George Reid's office were likewise promptly performed. He was an experienced administrator, somewhat more in need of secretarial assistance, perhaps, than most of his contemporaries, somewhat dilatory in minor matters, but never negligent of things of importance, and possessed of an almost uncanny capacity for disregarding the things which were not of much importance even when they were attacks upon himself. Towards the end of the five years for which he was appointed, he much desired a renewal for the same period, or even for three years, since he did not care to re-enter Australian politics, and at his age—he was born in 1845—he could not expect to recover a lucrative practice at the New South Wales bar. He had made considerable sacrifices. His income as a barrister during the three years previous to his acceptance of the High Commissionership had amounted to £4,000 per annum,²⁹ and there had been every prospect of its continuance at a high figure as long as he retained his vigour and buoyancy of spirit. At the age of 70, however, he could not expect to recover the volume of practice that he had enjoyed five years previously. He visited Australia early in 1913 in order, chiefly, to sound the Cook Government as to the prospect of securing reappointment.

What took place then was a subject of controversy. In fact, the Cook Government reappointed him for a period of twelve months, to date from January, 1915. But Mr. Glynn, the Minister for External Affairs, in whose department the matter lay, admitted that he assured Sir George that he would be reappointed for a further term.³⁰ Before the question was settled by the Cabinet, however, the war broke out, the dissolution occurred, and it was said to be difficult to get a Cabinet meeting to deal with this business. More probably it was overlooked. The position towards the

²⁹ See Sir George Reid's letter, *Parliamentary Debates*, LXXVII, 3894.

³⁰ *Parliamentary Debates*, LXXV, 1170.

end of 1915 was, therefore, that Sir George Reid's term of appointment for the additional year was about to expire, and he had only the verbal assurance of the former Minister for External Affairs that the Cook Government had intended to give him a renewal for a term of years. His personal friends in the House of Representatives considered that stress should be laid upon what was declared to be a promise, and that the Fisher Government was bound by the intentions of its predecessors. It is not easy to see how the previous Government, if it did not take the responsibility of publicly renewing the appointment could, even morally, bind its successors to do so. Sir George Reid's own account of the incident was that there was a distinct understanding that he should be reappointed for three years, but that, relying on the promise of the Minister, he "did not get this in writing."³¹ He had offered, some months previously, to continue in office without salary as long as the war lasted. "This offer was gratefully acknowledged, but the Government had other views." He was somewhat anxious about his future. But the whip of the Conservative party in the House of Commons came to the rescue, and on the 4th of January, 1916, a fortnight before his term of office expired, offered to bring him forward as an "independent Imperialist" candidate for the vacant electorate of St. George's, Hanover Square. He easily secured election, and ended his days as a member of the House of Commons, dying in London on 12th September, 1918.

On 26th October, 1915, there was a caucus meeting of the parliamentary Labour party, at which nearly every member of the party in the House of Representatives and the Senate was present. Mr. Fisher then announced his appointment as High Commissioner and his consequent relinquishment of the leadership. Mr. Hughes was unanimously elected to succeed him. After the caucus meeting Mr. Fisher placed his resignation in the hands of the Governor-General, and advised him to send for Mr. Hughes. Inasmuch as the caucus had already discussed and determined the composition of the Cabinet under the new Prime Minister,

³¹ G. H. Reid, *My Reminiscences*, p. 363.

Mr. Hughes was able to hand to the Governor-General forthwith a list of his ministers, who were the following:

Prime Minister and Attorney-General ..	Mr. W. M. Hughes
Minister for Defence	Senator G. F. Pearce
Minister for Trade and Customs ..	Mr. F. G. Tudor
Minister for External Affairs ..	Mr. H. Mahon
Minister for the Navy	Mr. J. A. Jensen
Treasurer	Mr. W. G. Higgs ³²
Minister for Home Affairs	Mr. King O'Malley ³³
Postmaster-General	Mr. W. Webster
Vice-President of the Executive Council	Senator A. Gardiner
Assistant Minister	Senator E. J. Russell

When Parliament met (October 27th), Mr. Hughes informed the House of Representatives that "the late Prime Minister had been appointed High Commissioner of the Commonwealth in the United Kingdom," that he had thereupon resigned office, and that the Governor-General had requested Mr. Hughes to form an administration, the members of which he forthwith detailed. The new Government was in fact the Fisher Government with the omission of Mr. Archibald and Mr. Spence, whose offices were now secured by Mr. O'Malley and Mr. Webster, and with the addition of Mr. Higgs, who assumed Mr. Fisher's duties at the Treasury. These displacements took place at the instance of the parliamentary Labour Party, which, in accordance with its practice, balloted upon the names of the members of the ministry, leaving to the Prime Minister the allotment of portfolios. The changes caused not a little controversy within the party.

Mr. Fisher remained in London for the full term of his appointment, being succeeded in 1921 by Sir Joseph Cook. His connection with Australian politics was broken by his

³² Hon W. G. Higgs, M.L.A., Q'land, 1899/1901, member of C'wealth Senate, 1901/6, M.H.R., 1910/22, Treasurer, 1915/16. Of Kew, Vic., and Brisbane, b. Wingham, N.S.W., 18 Jan., 1862.

³³ Hon K. O'Malley, M.H.A., South Australia, 1896/99, member of C'wealth House of Reps., 1901/17, Minister for Home Affairs, 1910/13, 1915/16. Insurance agent; of Melbourne, b. Stanford Farm, Canada, July, 1858.

departure, and, when once he had left the Government, its dependence upon his assistance practically ceased. A great amount of work relating to Australian trade and to the Australian troops in England was constantly done by his office in London, and important negotiations, financial and other, were carried on through it. But they were carried on by influential subordinates such as Mr. Larkin,³⁴ who was specially sent to deal with shipping matters.³⁵ In the weighty negotiations of war-time, Mr. Fisher was never the trusted ambassador of his successor in the Prime Ministership. He sat on the Dardanelles Commission; but, when secret and urgent political representation was required in London, Mr. Hughes either went thither himself or leaned on personal friends there, such as Mr. Keith Murdoch, an Australian journalist, both for information and for advice. Andrew Fisher revisited Australia in 1921, but announced that he had no intention of entering upon a fresh political career; and it was, indeed, plain to those who met him that his health was no longer sufficiently robust to enable him to undergo the strain of contesting elections and parliamentary excitement. His friendliness led him to seek out old acquaintances, shake hands with them, and exchange words of well-wishing; but he was a shattered man, with little of the old force remaining. He came back to find the party which he had led wrecked by the contingency that he had feared, and old political comrades in different cohorts, raging at each other amid the unsettlement which the world called peace. After a tour of the States and a particular farewell to the scenes of his early political experiences in Queensland, he returned to London where he died, "the world forgetting by the world forgot," on 22nd October, 1928.

Mr. Higgs, who now became Treasurer in the first Hughes Government, was born in New South Wales in 1862. As a young man he was a compositor, and became secretary of the New South Wales Typographical Association in 1886. His frequent incursions into Labour journalism led him to

³⁴ H. B. G. Larkin, Esq., C.B.E. General Manager, C'wealth Shipping Line, 1916/23; Chairman, C'wealth Shipping Board, 1923/28. Of Melbourne; b Plumstead, Kent, Eng, 6 March, 1872.

³⁵ Even Sir George Reid was, on 25 Nov., 1915, abruptly warned by the Fisher Government not to meddle in its direct negotiations concerning shipping.

the editorship of the *Australian Workman*, published in Sydney, in 1891, and two years later to the editorship of the *Queensland Worker*, the most aggressive of Labour journals, and the one which sported as its motto "Socialism in our own Time." He secured election to the Queensland Parliament, and this proved a stepping stone to the Federal Senate in 1901. But he lost his seat at the election of 1906, and remained out of Parliament till 1910, when he was elected member for the Queensland constituency of Capricornia in the House of Representatives.

Mr. King O'Malley, who returned to his former office of Minister for Home Affairs, was Canadian born; indeed, with the whimsical touch that was his habitual and cultivated pleasantry, he used to say that his parents made a mistake in permitting him to be born on the Canadian side of the frontier, because he was thereby prevented from becoming President of the United States! When he came to Australia he took up work on the land. Later, as an insurance agent, he was signally successful in the prosecution of his business. As a member of the Federal Parliament he paraded many eccentricities of speech and manner, but beneath these quaint ways there was, some of his colleagues averred, a serious business sense and some knowledge of finance which were useful to his party.

Mr. Webster, the new Postmaster-General, was born at Liverpool, England, in 1860. In New South Wales he had been a prominent member of the Quarrymen's Union, became interested in municipal politics in the Sydney suburbs of Marrickville and Petersham, and was elected to the Federal Parliament as member for Gwydir in 1903. He had distinguished himself by making the longest speech on record in the House of Representatives; but he was an efficient and attentive minister.

III

The accession of Mr. Hughes to the Prime Ministership was not hailed with universal satisfaction by the supporters of the Labour Party outside Parliament, suspicion of his leadership being aroused by his vehement determination to subordinate all other objects to that of rendering effective

the Australian participation in the war. The most ably conducted Labour newspaper, *The Australian Worker*, was cool but not unfriendly at first, but Mr. Hughes's personal influence in Sydney, and among *The Worker's* clientele throughout New South Wales, was strong at this time. *The Labour Call*, published in Melbourne, was decidedly unfriendly, and a study of the file of this journal for the last two months of 1915 reveals unmistakably that a deep distrust of the Prime Minister had taken possession of a section of the Labour party. An especially bitter article was published on December 9th, in which it was stated that "every day that passes shows Hughes in a less favourable light as far as the Labour party is concerned. He is daily permitting himself to be drawn into closer association with the hereditary enemies of human progress." The immediate cause of this attack was the decision to abandon a referendum, to which reference is made below. Mr. Hughes was said to have adopted this course "with the blushless impudence of Iscariot." He was described, in view of his recent utterances, as "a doddering Tory," who possessed "all the vacuous blatancy of the sounding brass of Holy Writ." He had reverted to "the political and administrative ideals of the stone age."

The motive behind these protests was one common to a section of political opinion existing in all the chief belligerent nations—a section part of which was in principle unalterably pacifist, whilst another part placed the early attainment of social objectives before the vigorous prosecution of the war. At this time there was no conscription issue in Australia; the only question in respect to recruiting was one of infusing better organisation and more vigour into securing men for the army by voluntary means. In speeches delivered in Melbourne (November 9th) and Sydney (November 29th) Mr. Hughes had urged that there was only one way to shorten the war, only one way to save Australia as a free democracy working out her own destiny, and that was "to put every ounce of energy and every man we can spare for that purpose into the war."³⁶ These declarations were fully in harmony with what he had contended from the commencement of the

³⁶ *The Argus*, Nov. 10; *The Sydney Morning Herald*, Nov. 30.

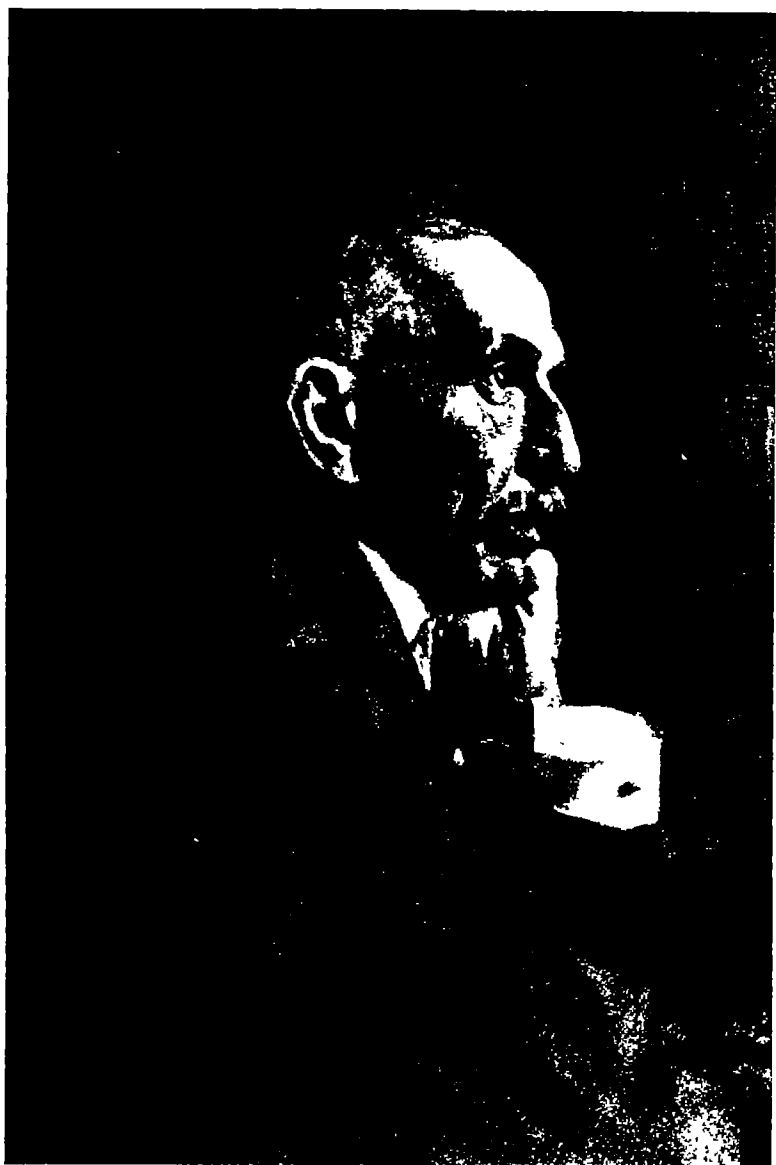


21 A RECRUITING APPEAL IN MARTIN PLACE, SYDNEY, AUGUST 1915

(See also Vol. XII, plates 742, 747)

Photo by The Sydney Mail

To face p. 306



22. RT. HON. WILLIAM MORRIS HUGHES, PRIME MINISTER OF
AUSTRALIA, 1915-23

From a painting by Sir James Guthrie

Reproduced by permission of the Scottish National Portrait Gallery, Edinburgh.

To face p 307.

war. His speeches before and after becoming Prime Minister reveal no change of mind, and he was therefore chosen to succeed Mr. Fisher with the full knowledge of those who supported him that this was his fixed resolve. His colleagues and followers in Parliament were, with not more than possibly two or three exceptions, in accord with him. But the manifestation of a contrary feeling in the party outside Parliament is important as marking the commencement of the movement which was at length to produce the great cleavage in the Labour party.

The various pronouncements on policy made by Mr. Hughes, within the few weeks following the formation of his Government, did not indicate that he contemplated any material change from the policy of the Fisher Government. In a statement to the House of Representatives he said:

Ministers consider it vital that there shall be no departure from the policy laid down by the Fisher administration. They are of opinion that the war should be prosecuted with the utmost vigour until a complete and final victory is assured, and will not consider any suggestion for a peace until that victory has been secured.³⁷

He was emphatic in several speeches about wresting Australian trade from the hands of Germans, about the completeness of the victory which would be necessary to ensure the safety of the British Empire, and about the importance of securing adequate reinforcements for the Australian contingents at the war. "We must beat Germany to her knees; there is no safety for civilisation otherwise." The Commonwealth must raise within the next few months 50,000 men for active service in addition to the quota of 9,500 per month.³⁸ But he had no doubt that the necessary number could be obtained by voluntary enlistment. "A direct personal appeal will be made to men of fighting age, and I am satisfied that it will not be made in vain. We shall get the men." The idea that resort should be had to conscription was not in his mind at this time. He was asked in the House of Representatives (October 28th) whether, at a forthcoming referendum at which proposals were to be submitted to the people for certain alterations of the constitution.

³⁷ *Parliamentary Debates*, LXXIX, 6969.

³⁸ See, e.g., speech at Lord Mayor's banquet, Melbourne, *The Argus*, Nov. 10; and speech at dinner of Institute of Journalists, Sydney, *The Sydney Morning Herald*, Nov. 30.

he would give the electors an opportunity of voting on the question of whether or not they favoured conscription. His reply was that "the Government would not put an eighth question, certainly of that kind, to the people." So far then, Mr. Hughes saw no need for departure from the policy which he had been supporting from the commencement of the war. There might be a greater infusion of energy, more strictness in the administration of the War Precautions Act, an enlargement of the scope of that measure, a keener pressure upon men of military age to join up, but there was no sign of a radical change.

The project of a referendum which drew from *The Labour Call* its bitterest attack upon the Prime Minister was a proposal to refer to the electors, at a referendum to be taken on December 11th, certain proposed amendments of the constitution designed to give increased powers to the Commonwealth Government with respect to monopolies, trade and commerce, corporations, and disputes arising out of the employment of labour on State railways. The passage through Parliament of the bills to provide for the referendum had been marked by intense party bitterness, and it was evident that the effect of submitting them to the electors would evoke similar differences of opinion throughout the country. Mr. Fisher, during whose term of office the proposals were submitted to Parliament, refused to abandon them. Mr. Hughes, however, still bent upon concentrating the national energies on the war, came to the conclusion that it was inexpedient to introduce this discordant element into the the political life of the country. He was therefore glad to accept an offer made to him by the Premiers of the States, assembled in conference, that they would ask their State Parliaments to grant to the Commonwealth, during the currency of the war and for one year after, the powers asked for by the Commonwealth Government, with certain limitations. "This offer," Mr. Hughes said in making his announcement in Parliament, "has been considered by the Government and the party which I have the honour to lead."³⁹ The Government had determined to accept it, and "the party

³⁹ *Parliamentary Debates*, LXXIX, 7265.

have indorsed that acceptance." The agreement between the Commonwealth Government and the State Premiers was committed to writing, and it provided that the Premiers would bring forward in their respective Parliaments legislation giving the Commonwealth increased powers, for the period specified, over employment and unemployment, strikes and lock-outs, the maintenance of industrial peace, and the settlement of industrial peace. The powers of the Commonwealth on these matters were therefore to be augmented during the currency of the war, as a war measure, leaving the wider matter of the permanent increase in Commonwealth powers by an alteration of the constitution, to be determined after the war. "We have accepted the offer of the Premiers in the spirit in which it was tendered," said Mr. Hughes. "I am certain we have done what is right. We shall avoid a campaign in which necessarily much would have been said that were better left unsaid, and much time would have been lost which ought to be devoted to other things. And, since by accepting this offer, we shall get the powers which will enable us, during the currency of the war, to enact such laws as will protect the people, and enable the community to put forth its maximum strength, we feel that the country is to be congratulated upon the result."⁴⁰

It was by consent of the parliamentary Labour Party and by the determination of the whole Government, that the referendum was thus postponed for the period of the war; but in those party newspapers which were dissatisfied with the decision, the attack was directed entirely against Mr. Hughes. The attack came from the section of the party already mentioned which held by the principle that matters of class interest should not be subordinated to the requirements of the war. In these quarters, indeed, the opinion was expressed that Australia had done enough; stress was laid upon the losses and suffering entailed by the war, and there was a tendency to discourage recruiting efforts.

This tendency became still more manifest when the Government on the 26th of November, 1915, after the taking of a "war census," announced its intention to despatch an

⁴⁰ *Ibid.*, 7266.

additional force of 50,000 men, besides maintaining the monthly quota of 9,500 required to make up for "wastage" in the contingents already at the front or in training. It was now clearly impossible for the Defence Department to attend to recruiting, as well as to its already strenuous tasks of training and equipping troops and supplying the requirements of the armies on service. Better organisation was requisite, use had to be made of information which had been obtained by means of the War Census Act, passed earlier in the year; and as soon as this course was followed the undercurrent of opposition to recruiting declared itself.

The war census had been inaugurated after the vigorous recruiting campaign that followed the Landing at Gallipoli. It was the result of a decision by the Government to ascertain what were the resources of Australia, in order to make full and systematic use of them under the voluntary system. The bill, introduced on July 15th, and passed on July 23rd, required certain information to be supplied upon cards, by all males between the ages of 18 and 60. In explaining its purpose, and the methods by which it was proposed to obtain the required information, Mr. Hughes, then Attorney-General, said that it was desired to obtain an accurate registration of the resources of Australia, both in men and material. The census therefore applied to wealth as well as to manhood. But he made it clear that the measure did not contemplate conscription. "I do not believe conscription is necessary," he said; though he added, "I do not say that the future may not hold within its possibilities which may shatter our present conceptions of what is necessary, for no man can say what this frightful war may yet involve."

The information collected under the War Census Act in September enabled the Commonwealth Statistician, Mr. G. H. Knibbs,⁴¹ to say, before the end of November, that the Commonwealth contained nearly 600,000 "fit"⁴² men of 18-44 years. It now became the business of the recruiting

⁴¹ Sir George Knibbs, C.M.G. Commonwealth Statistician, 1906/21; member of Royal Commission on Food Supplies and Trade & Industry, 1914/15; Chairman of Royal Commission on Taxation of Crown Leaseholds, 1918/19; Director of Bureau of Science and Industry, 1921/26. Of Melbourne; b. Sydney, 13 June, 1858. Died 30 March, 1929.

⁴² Men were deemed fit if they described themselves as being in good health, not having lost a limb, and being neither blind nor deaf.

organisations to get into touch with these men who had not so far volunteered, and ascertain whether there were good reasons why they held aloof. The organisation aimed at combing the Commonwealth. In each State there was a State War Council, consisting of leading public men. The whole country was divided into thirty-six recruiting areas, each of which was expected to raise an allotted quota. Recruiting committees were formed in nearly every city, town and township throughout Australia. Recruiting sergeants were appointed for the purpose of getting into direct touch with young men, and, if necessary, making house to house visitations. Mayors and presidents of shires co-operated in whipping up local enthusiasm. The Prime Minister on November 30th addressed a circular letter to municipal and similar authorities, urging them to take steps to stimulate recruiting. Public men, and all who possessed local influence, were besought to exert themselves to the same end. Major-General M'Cay, returned wounded from Gallipoli, and Mr. Donald Mackinnon addressed a meeting of the members of the Victorian Parliament (November 30th) over which the Premier, Sir Alexander Peacock, presided. In New South Wales the Premier, Mr. Holman, was tireless in his exertions. In the other States likewise no effort was spared to raise the number of men required.

At the same time an order was issued from the Department of Home Affairs (November 25th) that no males of military age would be allowed to leave the Commonwealth without a passport, and that no passport would be issued to such a person unless satisfactory reasons were forthcoming. The Federal Parliamentary War Committee, acting in co-operation with the State War Councils and the local recruiting committees, determined (November 25th) to make an urgent and direct appeal to every man in Australia within the military age limits, by addressing to them questions on the following lines:

1. Are you prepared to enlist now? If your answer is Yes, you will be given a fortnight's notice before being called up.
2. Are you prepared to enlist at a later date? If so, name the date.
3. If you are not prepared to enlist, state the reasons why.

The recruiting committees were urged to endeavour to obtain an answer to these questions from every man in Australia within the military age, 18—44. But the attempt aroused bitter opposition. In Brisbane the President of the Trades Hall Industrial Council headed a deputation to the Prime Minister, and demanded the withdrawal of the questions, which were described as inquisitorial. Mr. Hughes in turn strongly resented what he termed the dictatorial attitude of the council, and pointed out that trades union methods were themselves based upon compulsion. He declined to take any steps to secure the withdrawal of the questions, and stated that if the unions supported the scheme of the Government conscription would be unnecessary.⁴³ In Kalgoorlie the Minister for External Affairs pointed out that those who objected to the scheme for securing recruits could scarcely have considered the alternative to it. "That alternative," said Mr. Mahon, "is conscription and compulsion by law should the needs of Australia and the Empire require it."⁴⁴

In Melbourne, opposition to the scheme produced an unfortunate incident. The executive of the Federated Clerks' Union having passed a resolution objecting to it, the assistant secretary of the Union, Mr. F. Katz, on December 9th, induced the Melbourne Trades Hall Council to pass the following resolution:

That this Council recommends to the members of the Trades Unions which are affiliated to the Trades Hall Council to ignore the card which the War Council have instructed to be sent out.⁴⁵

The meetings of the Trades Hall Council were not at this time open to the press, and the resolution was not published at the instance of the Council's officials. But a few days later one of the members quoted it in the course of a public

⁴³ *The Brisbane Courier*, Dec. 9.

⁴⁴ *The West Australian*, Dec. 15.

⁴⁵ At a later date (16 Jan., 1916), Mr. Bennett, President of the Melbourne Trades Hall Council, said that when the resolution was passed asking people not to fill in the cards, he did not know that it was compulsory for the information asked for to be supplied. Had he been aware of this at the time, he as President of the Council would not have accepted the motion. He now exercised his right as President, and expunged the motion from the books on the ground that it had been placed there under a misapprehension.

speech, which set the newspapers upon the track and led to the publication of the text. Certain returned soldiers, angered by the part taken by the official of the Clerks' Union, on December 21st visited its offices in Little Collins Street, seized Mr. Katz, and poured a quantity of tar and feathers over him. The assault was very widely condemned, and in some parts of Australia, notably at Broken Hill, Mr. Katz's action was approved; but he was in at least two instances disavowed by branches of the Clerks' Union. The Perth members unanimously passed a resolution expressing "disgust at the disloyal action of the Melbourne Clerks' Union, with which we are utterly unsympathetic;" and the Federated Clerks' Union (1st January, 1916) repudiated Mr. Katz's action.

It is therefore beyond question that, long before the Government embraced any proposals for conscription, there was opposition to the methods by which the Government endeavoured to implement the principle of voluntary enlistment. Such opposition was expressed, however, only by an extreme section. The new scheme, inaugurated in the last month of 1915, was pressed vigorously throughout the country in the ensuing months of 1916. The Prime Minister (December 25th) in a rhetorical manifesto headed "The Call to Arms," commended it to the recruiting committees, and impressed upon the public the extreme urgency of the demand and the importance of the war from the aspect of national honour and freedom. The effect of the new effort was revealed in the recruiting figures for the first three months of the new year. Whereas in December, 1915, the enlistments totalled 9,119, in January, 1916, they reached 22,101, in February 18,508, and in March 15,597. But then the effort appeared to have spent itself, and in April there was a drop to 9,876, rising again to 10,656 in May and sinking to 6,582 in June. There was only one other ascent to a five-figure total, and that was when the threat of conscription seemed to be about to become effective, in October. The total enlistment for the period January to June, 1916, was 83,320. The Government had set itself to raise 50,000, plus 9,500 per month to

replenish the forces already in the field, plus the reinforcements for the 50,000 new troops. Three new infantry divisions were formed—partly from the new 50,000, but chiefly from the large surplus that had resulted from the recruiting effort in May, June, and July, 1915. The recruits afterwards obtained were mostly absorbed in keeping up reinforcements, which, for the force of five infantry divisions and one mounted division⁴⁶ now maintained by Australia oversea, were required to the number of 11,790 monthly.

The opposition to voluntary recruiting was active, though its operations were not so patent as were the methods adopted for securing recruits. It was obvious that there existed a determined undercurrent against the campaign, and that there existed a section which paid no heed to the publicly-offered counsel of the parliamentarians on the same side of politics.⁴⁷ On the other hand, appeals were made to the imagination, the patriotism, the reason, the sentiment, the manhood of the eligible. The newspapers pointed out that the war was not merely one in which defeat would be disastrous to the Allies, but that it had its special bearing upon the future of Australia, inasmuch as a victorious enemy might demand terms which would involve the cession of territory out of Europe. Other wars in the past had entailed the handing over of colonial territory to the victors, and there was every reason for believing that this war would be followed by similar results. As early as February, 1915, the sportsmen of Victoria endeavoured to raise a special battalion; in October and November of that year nearly 800 men were raised from the tramway employees of Sydney. The military authorities were not, at the moment, requiring new battalions, but the men went forward together as reinforcements, and certain battalions—for example, the 55th—largely consisted of them.

⁴⁶ The Anzac Mounted Division contained a famous New Zealand brigade; but, as a great part of the Imperial Camel Corps Brigade, and later, most of the Australian Mounted Division, consisted of Australian troops, Australia was responsible for the equivalent of a mounted division, and eventually for more.

⁴⁷ One of these leaders, a prominent Victorian, alleged that, the Legislative Council of that State having rejected an Adult Franchise Bill, "the result is that a large number of our fellow workmen will not go to the war." But there was a similar decline in recruiting in the States where Legislative Councils had not rejected franchise bills.

In the far west of New South Wales the movement which became known as the "Gilgandra snowball" attracted much attention. Under the leadership of the captain of the local rifle club, Mr. Hitchen,⁴⁸ a score or so of men, who had determined to enlist, resolved to march to Sydney, gathering upon the road and wherever they might camp additions to their company. Mr. T. W. Heney, who was in a position to watch the movement, recorded that "such a fine exhibition of country spirit aroused keen interest. Whenever the little company passed, it was greeted with the never-failing hospitality of the Australian countryside. Many a stout youngster 'hopped in' to the ranks, and from day to day as they marched, from night to night as they camped, and as often as they held impromptu meetings in the successive towns, their numbers increased. The farmers and graziers along the road provided meat, bread, fruit, and vegetables for the growing snowball; the women and girls spread many a noble feast in the shade of the gum-trees and brewed gallons of the Australian national beverage, billy tea. Finally, they reached Sydney about 300 strong,⁴⁹ and were there enthusiastically received by crowds who thronged the streets, and who applauded the hardy, sunburnt men in worn and dusty 'civvies' and white cricket hats. They presently disappeared into camp and were merged in the military ranks. Their example was soon followed. From Monaro in the south, from Illawarra on the coast, from New England away north near the Queensland border, and from other country districts, bands of volunteers with fancy names, such as 'Kangaroos,'⁵⁰ 'Waratahs,' 'Men from Snowy River,' marched towards Sydney under military discipline and command, with flag and band, picking up recruits as they proceeded, and ultimately furnishing the training camps with hundreds of fine, soldierly men."

⁴⁸ Cpl. W. T. Hitchen (No. 1677; 45th Bn., A.I.F.). Master plumber; of Gilgandra, N.S.W.; b. Mudgee, N.S.W., 12 Sept. 1864. Died of illness, at Harefield (Eng.), 3 Sept., 1916.

⁴⁹ The "Coo-ees," as they were called, were 40 strong when, after a long march through the rain, they reached Dubbo. At Dubbo 12 men joined, and at Wagonbarbon 13. They reached Orange with 100, and left with 130. At Blayney they were 135, and on leaving Bathurst 170. They reached Sydney with 263, after a march of 35 days.

⁵⁰ See Vol. XII, plate 743

Of these recruiting marches, the best known were:—

Name of March.	Date.	Starting Point.	Terminal.	Distance	Numbers.	
					At Start.	On Arrival.
Coo-ees ..	Oct.-Nov. 1915	Gilgandra (N.S.W.)	Sydney	320 miles	30	263
Waratahs ..	Dec. 1915	Nowra (N.S.W.)	Sydney	100 miles	50	120
Kangaroos ..	Dec. 1915	Wagga Wagga (N.S.W.)	Sydney	350 miles	88	230
Wallabies ..	Dec. 1915	Narrabri (N.S.W.)	Newcastle	300 miles	38	173
Dungarees ..	Dec. 1915	Warwick (Q'land)	Brisbane	160 miles	30	125
Men from Snowy River	Jan. 1916	Delegate (N.S.W.)	Goulburn	220 miles	30	144
Kurrajongs ..	Jan. 1916	Inverell (N.S.W.)	Narrabri	160 miles	114	150
Kookaburras ..	Jan. 1916	Tooraweenah (N.S.W.)	Bathurst	210 miles	23	100
North Coast Boomerangs	Jan 1916	Grafton (N.S.W.)	Maitland	320 miles	27	240

Aggregate number at start of marches, 430 ; at finish, 1,545.

An accession of little over 1,100 men may seem small result for the effort entailed in these marches, but undoubtedly their effect was much greater. They merely furnished a spectacular example to the whole people, but *en route* other men were enlisted who could not march immediately, and consequently are not shown in this table. Thus, it was reported that during the march of the "Boomerangs" 650 men offered themselves and passed the medical test, although only 240 actually marched.⁵¹ In Victoria a "recruiting train" carried political leaders, organisers, and a military band along the railway through Gippsland and elsewhere, raising enthusiasm.

But, in addition to such noble gestures, the effort to secure a sufficiency of voluntary recruits was already involving, in Australia as in England, recourse to methods some of which were entirely repugnant to many sensitive minds. The indiscriminate labelling of apparently eligible but unenlisted men as "shirkers" was inevitable, though in many cases deeply unjust. Of the lengths to which it proceeded, Mr. Heney says: "There was in evidence a shrieking sisterhood, who took the platform or made the air shudder at afternoon teas and drawing-room meetings—not to speak of open-air gatherings—with their demands upon all and sundry of the local young manhood. In many minds these ladies were associated with the persons who sent white feathers and anonymous cards by post, penned sarcastic letters to the papers, and, protected by their sex, sneered openly at such young men as they chanced to imagine to be shirkers. Between these harsh activities and the kindly patient labours of the thousands of good women who, while making all kinds of sacrifices for the troops, in their own mild way sent many a man to the recruiting stations, a clear line must be drawn."

The guilt was undoubtedly wearing off the brilliant trappings of war. Not only the men, but the women knew all too well the nature of the grim business to which they were giving up their men. "None except the women themselves," Mr. Heney continues, "can know with what feelings they bore their departure or their absence. In some of the capitals, when the military authorities became dissatisfied with the

⁵¹ A similar effort made in 1918, "The March to Freedom," is referred to in *Chap XII*, p. 460.

occasional abuses of the public processions and leave-takings which marked the first departures of men on service, they arranged that the farewells should take place in the early hours of the morning. In the chill dark before dawn, often in rain and cold, the men would march from barracks or railway station to the quays to go aboard the troopships. Sufficient notice would be given to enable the soldiers' families to accompany them on this march and to take their leave of them on the wharf. When these marches took place, by day, the tragedy was toned down by the light, the flags, the movement, the bands; when they took place at night, it was even accentuated, however much the older portion of the people might try to bear up for the sake of the men departing.

"The general public had no knowledge of these occasions, but a few spectators, apprised by the sound, would stand watching from windows or balconies, while the strains of the rather melancholy 'Home Fires,' or those of some more cheerful and more soldierly air, entered the street and echoed from side to side among the tall houses and the gardens. Then soon a company of soldiers would come by, gay and fine as always, with the serene self-confidence which marks the Australian. Whether they were many, as in the early days of the war, or few, as in the later days, the men were always a source of patriotic pride, 'fit' and full of spirit even at an hour when the vital energy is generally at its feeblest. But those to whom the heart most went out were the little family groups which accompanied each man. No one seemed to go away unfriended. No man so humble and poor but he had at least a mate, a girl, or an old friend to carry some of his kit, to keep step with him, to speed him on his way with chat and with rough but genuine tenderness. But a keener interest attached to the family groups. The soldier might be a proud youngster, beside whom walked father and mother and younger brothers and sisters. The light of the street lamps revealed many a man with his wife holding his arm and a child perched upon his shoulder. The officers appeared on these occasions to be very human, and to trust their men. Formation had long

since been broken, so that mother and father, wife and sweetheart, brother and sister, chums of all kinds, could surround their man and cheer him on his way. It was invariably to be noted that, while the children were often crying, and while the younger people were noisy, their elders, especially the women, maintained a firm composure. But though they kept up talk, which often extended beyond the particular group, the strain upon their feelings was manifest.

"The time was to come when the strain was to be still heavier, when women were to hide themselves and sometimes faint at the approach of the clergyman of their faith, lest he should bear them news of the death of son or husband, and when lamps burned late in solitary rooms where sleepless women prayed and suffered. Such is women's part in war, how bitter and hopeless, only a woman knows."

CHAPTER IX

THE FIRST CONSCRIPTION REFERENDUM

Une armée qui ne se recrute pas, finit par capituler.—Napoleon.

TOWARDS the end of 1915 the British Government expressed a desire that the new Prime Minister of Australia should visit London, together with the Prime Ministers of Canada and New Zealand, in order that they might obtain a more intimate knowledge of the war situation than could possibly or prudently be imparted to them by means of despatches and cablegrams. Mr. Hughes at once accepted the invitation, and made an announcement to that effect to Parliament.¹ Mr. Cook, the leader of the Opposition, received the news with cordial satisfaction, stating that it was "peculiarly gratifying to learn that the Prime Minister of Australia had been called specifically to the counsels of the Empire."

During the Prime Minister's absence Senator Pearce undertook the onerous responsibilities of Acting Prime Minister in addition to his heavy work as Minister for Defence. Mr. Hughes travelled by the Pacific route, thence across Canada, to Great Britain, his date of departure and the name of the ship being prohibited by the censorship from publication in the newspapers. He wrote to the Governor-General (7th January, 1916): "I propose to leave by the *Makura* from Sydney on January 20th, and I have announced that I am leaving by the *Osterley* via Suez. No doubt it will get out—but not before I get away. I am keeping the route absolutely private." In fact, Mr. Hughes left Sydney in the *Makura* on January 16th. In Canada a precedent was created during his visit to Ottawa, where he was sworn of the Dominion Privy Council and took part in a meeting of the Canadian cabinet.²

Mr. Hughes's own account of that visit to Europe is recorded in his book, *The Splendid Adventure*.³ It so happened that the other dominion prime ministers, through local circumstances, were unable to attend, with the result

¹ 11 Nov., 1915; *Parliamentary Debates*, Vol. LXXIX, p. 7465.

² Berriedale Keith, *War Government of the British Dominions*, p. 24.

³ London, 1929, pp. 38 *et seq*; but Mr. Hughes erroneously gives the date of the invitation as "in 1916."

that for six months crowded with incident and eruptive with oratory Mr. Hughes was thrust into the foreground of the British political picture. Persons of all ranks, from the King and the Archbishop of Canterbury to trade unionists and school children, paid him respectful attention. The war at that time appeared to have reached a stalemate position. A feeling of depression hung over the country. Mr. Asquith, the Prime Minister, notwithstanding his many brilliant aptitudes, was not proving an inspiring leader for a nation during dark days. There were doubts whether the War Minister, Lord Kitchener, was justifying the high expectations amid which he had been appointed. Into this atmosphere there burst a man who was able to bring a fresh voice, and that a rousing and invigorating one, into the discussion of the great questions of the hour. Mr. Hughes had, too, certain definite constructive views, not only as to the war but as to Imperial policy when the war ended, and these opinions he emphasised repeatedly in many speeches delivered throughout Great Britain. There is no doubt that in his desire to see the war vigorously conducted in the field of industry as well as of arms, he represented the wishes of the British as well as of the Australian people. The gallantry of the Anzacs was still warm in public admiration when he appeared in London, and some of their glory was reflected upon him. He was original, audacious, energetic, full of confidence and courage, at once amusing and earnest, light-hearted and combative.

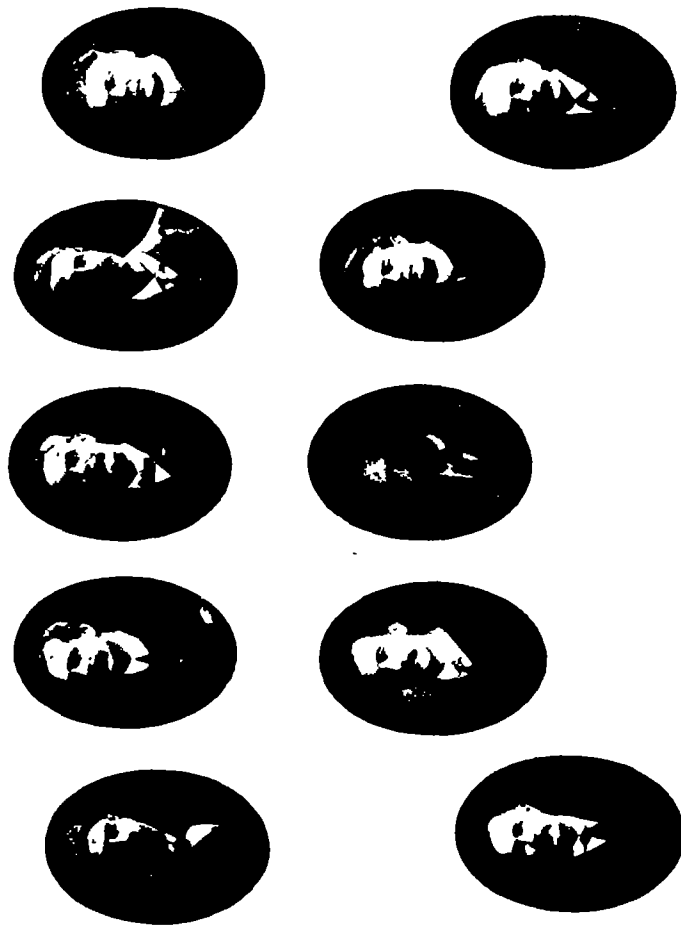
There was, also, something which captured the imagination of the British people in the very fact that this man who had left England as a poor immigrant should return thither as the Prime Minister of a great dominion. Mr. Hughes visited his old school, the Burdett-Coutts school at Westminster, and told the boys that he was in his youth there "a nervous, white-faced little wretch"; he spoke gratefully of the encouraging words which Matthew Arnold had addressed to him; and advised that "the thing to learn at school is not how to win prizes, but to live a simple, honest, straight-forward life, telling as few lies as possible, and no lies at all that were mean or petty."⁴ There was inspiration

⁴ *The Times* report, 22 March, 1916.

in the very fact that there were, within the British Imperial system, opportunities for such a "white-faced little wretch" to return after many years, and take a strong and independent line during a great national crisis. People in all parts of the British Isles wished to see and hear this man. Great cities showered the honour of their freedom upon him. London set the example by presenting the freedom of the city with the document enclosed in a gold casket of conspicuously beautiful design. As Horace Walpole wrote of the elder Pitt in 1757, "for some weeks it rained gold boxes"; but perhaps not even Pitt at that time of national approbation received so many as did Mr. Hughes in 1916. Manchester, Birmingham, York, Sheffield, Cardiff, Bristol, and Edinburgh made him "free" of their privileges. The University of Oxford created him a Doctor of Civil Law, Edinburgh and several other universities made him a Doctor of Laws, he became a Privy Councillor, was the King's guest at Windsor Castle, dined with the Archbishop of Canterbury at Lambeth Palace, and had special audiences with His Majesty, Lord Kitchener, the Prime Minister, and Mr. Bonar Law, who was at that time Secretary of State for the Colonies. Every kind of honour that great personages and time-honoured institutions could shower upon him, he received during those electric six months. Even Lord Rosebery emerged from the obscurity in which he "ploughed his lone furrow," to pay him compliments. "We have heard much of his eloquence," said that elegant orator, "much, perhaps too much, of his infirmity—which is the only thing I have in common with him—and which I have never been able to turn to those practical uses I understand he is able to convert it to."⁵

These honours were not paid merely because Mr. Hughes was a picturesque figure, almost a figure of romance as it appeared to many British people; but still more because he spoke with deep conviction upon the fateful issue and with confident foresight as to the future. There was scarcely a day upon which he had not to speak to some gathering, and some of the occasions of his public addresses were important. These speeches were all carefully prepared. They might sound spontaneous, but Mr. Hughes was much too experienced

⁵ *The Times*, June 24.



23. THE FIRST HUGHES MINISTRY, 1915-16

Top row (left to right): Hon. King O'Malley, Hon. F. G. Tudor, Hon. W. Webster, Hon. G. F. Pearce, Hon. J. A. Jensen *Bottom row* Hon. A. Gardiner, Hon. W. G. Higgs, Rt. Hon. W. M. Hughes, Hon. E. J. Russell, Hon. H. Mahon

*By permission of the Commonwealth Government
Aus. War Memorial Collection. No. A2820*



24. RECEPTION OF "THE COO-EE'S" RECRUITING MARCH, AT GEURIE, NEW SOUTH WALES,
OCTOBER 1915

Lent by The Sydney Mail

an orator, and had too keen a sense of his responsibilities, to trust to the inspiration of the moment for more than the flashes that enlivened his periods. The main arguments and their terms were the result of careful thought. It was his habit, when he was to make an important speech, to dictate a draft to a typist, and then work over the typescript, sometimes correcting and polishing several times till he had shaped the thought and the language to his liking. The finished speech was delivered from a final fair-copy of a much-revised original. *The Times* and other newspapers published full, first-person reports of several of these speeches, and ample summaries of others.⁶ The passages in them which received most attention were those wherein Mr. Hughes insisted that the Allies should take precautions to ensure that after the war Germany was not permitted to regain her markets until the trade of her opponents was well established, and that her control over certain industries, especially those affecting the base metals, should be broken.

The seriousness of this form of attack was immediately appreciated in Germany, as was shown by the abusiveness of newspapers in the chief commercial cities concerning the author of the idea. Thus, the *Cologne Gazette* averred that *The Times* had "gone crazy about the man," who had "become the darling of the Imperialists and the Jingo agitators, who make far-reaching demands with very little intelligence"; and the *Frankfurter Zeitung* wrote that "it makes almost a grotesque effect, and shows the complete helplessness of England's cause, that now, when Churchill, Lloyd George, French, Kitchener, and all the others of whom victory was expected have been done with, a man from the antipodes gifted with a loud voice is held up as the saviour of the British Empire." These and similar comments, however, were but evidence of the uneasiness with which German publicists viewed the campaign for an economic war, such as Mr. Hughes advocated; and that aspect of his advocacy was fully appreciated by French journals, such as the *Temps*, which referred to "Mr. Hughes's magnificent campaign for economic defence against Germany," and the *Matin*, which

⁶ *The Times* also made the comment (14 June, 1916): "The truth about Mr. Hughes is that he occupies a very high position indeed—perhaps a higher position than any man in active public life since Mr. Chamberlain—in Imperial politics."

declared that "he may be considered to represent the real views of England, whatever may be the opinion of his colleagues."

The most effective passages in Mr. Hughes's speeches were cabled to Australia, where their publication in the newspapers evoked a feeling of pride, touched with astonishment. No Australian public man engaged upon a mission to Great Britain had previously received so much attention. Mr. Deakin in earlier years had given British audiences brilliant examples of his oratory, and at his best he possessed a power of speech which Mr. Hughes could scarcely equal. But Mr. Deakin never took pains to get himself fully reported, and he was a difficult speaker to report when his inspiration impelled his utterance to flow in a rapid torrent. Mr. Hughes intended that larger audiences than those to whom his orations were delivered should have opportunities of reading them, and his secretarial staff was careful to ensure that the winged words poured out with such telling effect in various parts of Great Britain were likewise transmitted to the antipodes. The thrilling phrases, printed in leaded type under large headlines in the principal daily newspapers of the Commonwealth, found there a fresh and delighted audience and the praise of capable critics. The most eminent classical scholar in Australia wrote an article comparing him to Demosthenes,⁷ wherein it was declared that, if one of Mr. Hughes's best periods was translated into Greek, it might challenge comparison with the eloquence of the Athenian orator of the 4th century B.C. Indeed, the writer averred that he would "undertake to translate" a passage, which he cited, "into Greek, and pass it off on many a classical reader as pure Demosthenes." A challenge to do so was accepted, and Mr. Hughes was duly done into Greek and printed in the journal of the Melbourne Classical Association;⁸ but whether the speeches of Mr. Hughes will find readers 2,300 years after their delivery, as the orations of Demosthenes are still read by some, is of course a point which can only be determined in a very distant era.

⁷ Professor T. G. Tucker, "Our Australian Demosthenes," *The Argus*, 12 Aug., 1916.

⁸ See IPIΣ, 1916.

Mr. Hughes arrived in England when the Government was on the eve of sustaining its second radical change of personnel. The Liberal administration of Mr. Asquith had already undergone one transformation, when the coalition was formed (May, 1915) in order that Great Britain might face the problems of the war by the inclusion within the Cabinet of the best minds of both parties. But there was already a strong feeling among those who had glimpses "behind the scenes" of politics, that the Prime Minister lacked the qualities necessary for guiding the affairs of the nation during a great war. He was always calm, cool, clear, but he was not prompt in decision and was accused of being deficient in forethought. It was admirably said of him by an obituary writer that "there was too much of Cicero and too little of Cæsar in the headship of our affairs." "The people," as Mr. Hughes records, "were extremely uneasy, suspecting that things were not going well," but the people did not know how deficient Mr. Asquith was in the attributes required by the situation. Mr. Hughes immediately formed an unfavourable opinion of him. He was, in this critic's opinion, a most admirable type of Englishman in peace time, but unsuited for the stern demands of a great war.

He had all the great virtues, a fine and catholic taste in literature, and a considerable experience of men. But life terrified him. He could bear to regard it from a library window, and as it stalked between the black lines of a book he could meet and deal with it. As long as its reactions were orthodox he could apply to it the academic rules, but when precedent and the experience of his ancestors seemed to be inadequate for a situation he sank into a gentlemanly melancholy and looked injured. He was perhaps too perfectly civilised.⁹

Mr. Hughes did not understand what was in Mr. Asquith's mind in issuing invitations to the dominion prime ministers to come to London. Perhaps the British Prime Minister soon regretted having done so, and came to regard Mr. Hughes as something like the bottle imp of the oriental story. The bottle being uncorked, something had to be done with the disconcerting creature who attracted such wide attention by the vigour with which he expressed himself. "The Government," wrote Mr. Hughes, "was, I think, a little at a loss to know what to do with me." Several newspapers demanded

⁹ Hughes, *The Splendid Adventure*, p. 42.

that he should be included in the Cabinet. Mr. Asquith complied with the demand, and Mr. Hughes was duly summoned to attend. He occupied a seat on the right hand of Mr. Asquith, and participated in the discussions as if he had been a member of the British Government. In order to make it clear that the invitations were issued as a matter of courtesy, they were not sent regularly, whenever the Cabinet met, but "at spacious intervals." The point thus asserted was that nothing like an established practice was being instituted. When present, however, Mr. Hughes was treated like an ordinary cabinet minister. Thus, he freely expressed his views about the proposed withdrawal of British troops from Salonica—of which he knew admittedly very little, but, apparently, as much as others—and on a proposal to encourage wheat growing in Great Britain by guaranteeing a fixed price for all that was produced from newly-cultivated lands. The cabled reports of these adventures produced much comment in Australia and inspired one masterly cartoon, Low's¹⁰ richly humorous drawing of Mr. Hughes orating and gesticulating in a fine frenzy to a dumbfounded Cabinet and Mr. Asquith beseeching Mr. Lloyd George: "David, talk to him in Welsh, and pacify him!"¹¹

Students of constitutional history and practice were naturally much interested in Mr. Hughes's participation in Cabinet meetings. The official announcement of the first occasion (March 9th) stated that: "By invitation of the Prime Minister, Mr. Hughes, Prime Minister of Australia, attended the meeting of the Cabinet to-day."¹² It was then pointed out that he was not even a Privy Councillor when he attended; in fact, he was "sworn of the Privy Council" on March 21st.¹³ But the case was not the first of the kind. There was, as a constitutional writer observed, "one precedent for this significant landmark in Imperial development," when Sir Robert Borden, Prime Minister of Canada, attended

¹⁰ D Low, Esq. Cartoonist and caricaturist; b. Dunedin, N Z, 7 April, 1891.

¹¹ The original drawing of this cartoon was purchased by the Governor-General and presented to the Commonwealth Parliament. It now hangs in the central hall at Parliament House, Canberra.

¹² See also *The Times*, 10 Mar., 1916.

¹³ See *The Times*, 22 Mar., 1916, and also letters of Mr. Swift MacNeill and Mr. Sidney Low, author of *The Government of England*, in *The Times*, Mar. 14 and 15.



THE IMPERIAL CONFERENCE
A QUOTE: "There's talk to have to make and 'putty' him!"

25. CARTOON (BY DAVID LOW) FROM THE SYDNEY Bulletin, 16TH MARCH, 1916
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a meeting of the British Cabinet by invitation of the Prime Minister on 14th July, 1915. But Sir Robert Borden attended only once, whereas Mr. Hughes was invited to a number of meetings.

The Australian Prime Minister was not impressed by the manner in which the war was conducted by the Asquith Cabinet. One of the first matters dealt with at the meetings at which he was present was, as has already been mentioned, a proposal to withdraw several British divisions from Salonica, adopting there a defensive attitude instead of the offensive then proposed by the French leaders. The projected withdrawal was supported by Lord Kitchener, who, however, left the advocacy of it mainly to General Robertson,¹⁴ the Chief of the Imperial General Staff. Mr. Hughes knew little of the matter, but his opinion was asked. He remarked that the military advisers were arguing from observations made many years before, and apparently without allowance for change in the conditions. His contentions helped to sway the Cabinet, which adopted his suggestion of a smaller reduction than had been proposed. A few weeks later the Australian Prime Minister, visiting Mr. A. J. Balfour,¹⁵ the First Lord of the Admiralty, on different business,¹⁶ found him much troubled. The French Premier, M. Briand, had come to England on June 9th, bringing with him General Joffre, and they had intimidated the British Government into reversing its decision to stand on the defensive at Salonica. Joffre, speaking in French, had asked M. Cambon, the French ambassador, who was interpreting for him, "May I thump the table?" and he had thumped it with terrifying effect. The casual manner in which apparently vital decisions were reached helped later to determine Mr. Hughes to go his own way where certain important issues affecting Australia were concerned.

¹⁴ Field-Marshal Sir William Robertson, Bt., G.C.B., G.C.M.G., G.C.V.O., D.S.O., p.s.c., Director of Military Training, War Office, 1913/14; Quartermaster-General, B.E.F., 1914; Chief of General Staff, B.E.F., 1915; C.I.G.S., War Office, 1915/18; G.O.C.-in-Chief, Great Britain, 1918/19; C.-in-C., British Army on the Rhine, 1919/20. Of Welbourne, Lincs., Eng., b. Welbourne, 29 Jan., 1860. Died, 12 Feb., 1933.

¹⁵ Rt. Hon. the Earl of Balfour, K.G., O.M. Prime Minister of Great Britain, 1902/5; First Lord of Admiralty, 1915/16; Foreign Secretary, 1916/19. B. Scotland, 25 July, 1848. Died, 19 March, 1930.

¹⁶ See p. 616. This paragraph is mainly based on the private diary and notes of the Australian Official War Correspondent.

During this visit to Europe, Mr. Hughes did not attempt, as he did in 1918, to exert any decisive influence upon the conditions—other than administrative—in which Australian troops were employed in the field. It is true that he endeavoured to arrange, in accord with the wishes of the troops and of his Government, that the Australian divisions in France should serve together as an Australian army under General Birdwood. Lord Kitchener, the Secretary of State for War, to whom he made the request, expressed himself as favourable, but said that the matter must be decided by Sir Douglas Haig,¹⁷ the British Commander-in-Chief on the Western Front, and advised Mr. Hughes to see him. The Prime Minister accordingly visited G.H.Q., but Haig informed him that, although armies of five or six divisions had operated at the beginning of the war, such an organisation would at this stage dislocate his plans. He promised, however, that General Birdwood should be regarded as the administrative commander of all Australian troops, and that the Australian divisions would be associated with one another as far as possible, and, if a suitable opportunity occurred, would be employed together in operations.¹⁸ Mr. Hughes left it at that, and did not take up the matter again until the middle of 1917.

The Prime Minister's action at this juncture in securing ships to lift Australian produce, and in furthering the sale of the country's wheat and wool, will be described in later chapters. It remains to say that while he was in England an economic conference was arranged, to be held in Paris in June, and insistent demands were made that he should attend this also. Questions were asked in the House of Commons as to whether the Government intended to include him as a representative of the British Empire. But to that idea even Mr. Lloyd George, who had been especially friendly to his fellow Welshman, raised objections. Mr. Hughes had been preaching "ruthless economic war," and Mr. Lloyd George, a leader of the free trade party, sniffed danger if the Australian statesman's views were to be enforced

¹⁷ Field-Marshal Earl Haig, O.M., K.T., G.C.B., G.C.V.O., K.C.I.E., p.s.c. G.O.C., Aldershot, 1912/14; Commanded First Army, B.E.F., 1914/15; C.-in-C., British Armies in France, 1915/19. Of Fife, Scotland; b. Edinburgh, 19 June, 1861. Died 29 Jan., 1928.

¹⁸ See Vol. III (pp. 155-8), and Vol V (chapter 1).

after the war. Mr. Asquith had never taken kindly to the project of an economic conference, but had been compelled to yield. "Bending with unshaken dignity to the howling storm, he announced in the Commons that Britain would be represented, but, asked what the policy of the Government would be, he very adroitly tripped up his rude interrogator by a bland declaration that 'the British Government's representatives would be lookers-on. They would note everything, but say nothing.'"¹⁹ About the sending of Mr. Hughes, Mr. Asquith had other doubts. Certainly he might be trusted to "note everything," but, as for "saying nothing," Mr. Asquith had by this time had sufficient experience of Mr. Hughes to be sure that his silence could never be guaranteed. A dexterous objection was raised: "The Prime Minister of Australia was the only Dominion Prime Minister in Britain, and it was feared that time did not permit of others to be available. To give representation to one only might be misunderstood, and certainly the Prime Minister of Australia could not represent other Dominions."²⁰ Public opinion was not appeased. The French press added to the chorus of demand that Mr. Hughes should be a member. "It would be regrettable," wrote the *Matin*, "if members of the Conference and French opinion made any mistake as regards the real feelings of Great Britain and the precise knowledge thereof possessed by Mr. Hughes." Finally, His Majesty the King intervened with a strong expression of opinion. A particularly well informed correspondent wrote to the Governor-General (May 28th): "The King remonstrated only last week when it was proposed to postpone the Paris Conference to a date which would make it impossible for Mr. Hughes to attend. The reason given was the inability of the Italian delegate to come sooner. But the King urged that Hughes's presence was of more importance to the Allies than that of the Italian. . . . But you may be tolerably certain that some people would not be sorry if the little man was not at the conference." Mr. Asquith found that he could not withstand the pressure, and at length consented to Mr. Hughes being one of the British

¹⁹ Hughes, *The Splendid Adventure*, pp. 42-3

²⁰ *Ibid.*

representatives. At the last moment Sir George Foster²¹ was prevailed upon to come over from Canada, so that there were two dominion representatives as well as two directly representing the British Government.

Mr. Hughes himself tells of his participation in the Economic Conference in this passage of his book :

Mr. Asquith, vastly experienced in statecraft, although considerably perturbed by the manner in which events were shaping, announced that the British delegation would vote as a unit, as one never knew what conferences like this might do. This simple and salutary procedure, he hoped, would spare the British Government any more embarrassment and humiliation. But although a very strong advocate of the principle of the British delegates voting solidly after settling their differences amongst themselves, I was unable to accept the suggestion. I held that the circumstances were unusual. The Government had deliberately declared that it had no policy, that it was simply a looker-on, and this being so I could not represent Britain unless free to express my opinion and register my vote according to my convictions, which, as everyone knew, supported those who believed in imposing an economic blockade upon Germany and utilising to the full the tremendous advantages a command of the sea and the possession of abundant supplies of raw materials gave to the Empire and its Allies. In the end he conceded this point—that we should vote and speak as we pleased. As a matter of fact, the delegation cast a solid vote on everything, supporting very strongly the famous Paris resolutions, which, by the irony of fate, Mr. Asquith was called upon to defend in the House and pledge his Government to support.

A descriptive passage in an article by the French journalist who wrote over the nom de plume "Swanton," in *L'Illustration*, gives a lively picture of the Australian Prime Minister at the conference :

He is a little man of frail appearance, narrow shouldered, rather stooped. His long face, seamed with lines, reminds one of some of our Breton peasants. We expected to see one of those powerful Australians who look capable of carrying the world on their shoulders. . . . But he has only to speak to reveal in an instant the tremendous force that is embodied in that debilitated frame. One has to hear him in council. At first he sits doubled up and lets others do the talking. The partial deafness from which he suffers and which would have discouraged any less energetic spirit, compels him to make a prodigious effort of his whole being to follow the thread of the discourse. Already he has been forgotten by the other speakers. But suddenly he straightens out, darts forward his thin arms and the double trident of his extended fingers, and projects into the centre of the flabby discussion an incisive remark. It is not only his face that carries—a distinct face, a metallic face, that cuts

²¹ Rt. Hon. Sir George Foster, G.C.M.G. Minister for Trade and Commerce, Canada, 1911/21. B New Brunswick, Canada, 3 Sept., 1847. Died, 30 Dec., 1931.

across all the others. His first words convince you that he is determined to push his thrust home, and that no obstacle will stop his indomitable will. One understands at once the ascendancy which this little Welshman—who resembles a black spider—has been able to obtain not only over audiences in Australia and England but over the oldest parliamentary hands in Europe.

The Economic Conference, which sat from June 14th to the 17th, dealt partly with measures for protecting the commercial interests during the period of the war. But its main concern was with resolutions favouring the conservation for the Allies after the war of their natural resources; the protection of their commercial, industrial, agricultural, and maritime interests against economic aggression arising from dumping or any other method of unfair competition, by the prohibition of goods from enemy countries; the denial to enemy countries for a period of years after the war of "most-favoured-nation" treatment; and the prevention of enemy subjects from prejudicing by commercial or professional methods the economic interests or defensive security of the Allies after the war. Mr. Hughes showed himself throughout the conference thoroughly favourable to the maintenance of an aggressive post-war commercial policy.²²

Immediately after the Economic Conference Mr. Hughes returned to Australia. Travelling by The Cape route, he was fêted in South Africa at Cape Town, Durban, Bloemfontein, Kimberley, and Pietermaritzburg. He reached Australia on July 31st. At Perth, Adelaide, and Melbourne there were enormous crowds to welcome him, and vast meetings in the largest halls in these cities to hear him. Rarely has any man received so enthusiastic a reception. The memory of the cheering throng in Collins-street, Melbourne, for instance, remains with those who witnessed the welcome as an exhibition of unrestrained cordiality rarely matched in a lifetime. It seemed that the public had so much pride in his achievements and confidence in his person, that almost any policy which he commended as necessary for winning the war would have been acclaimed as right. Borne aloft, on the roof of an automobile, so that all might see him, he was greeted with cries expressing emotions of joy. It was

²² Resolutions of the Economic Conference of the Allies held at Paris on June 14, 15, 16, and 17, 1916; *British Parliamentary Papers, 1916*

a reception fit for a conqueror. Did he realise at this time that within a few weeks he would have to put this enthusiasm to a strong test and that he was about to enter upon a fresh and startling phase of his adventurous political career?

II

During Mr. Hughes's absence from Australia various societies had been diligently educating public opinion on the subject of enforcing the enlistment of men of military age. The Universal Service League, founded in Sydney, established branches in all the States. The New South Wales branch, of which Professor Edgeworth David²³ was president, had as vice-presidents and members of the executive committee men of such high standing as Archbishop Wright,²⁴ Archbishop Kelly, Mr. W. A. Holman, Mr. J. C. Watson, Sir Joseph Carruthers,²⁵ and representatives of every political party, every religious denomination, every important commercial organisation, the several women's societies, some labour unions, and persons of influence in many walks of life. Some of these, like Mr. T. R. Bavin, one of the honorary secretaries, and Mr. Braddon,²⁶ a member of the finance committee, were afterwards called to positions of high distinction. Indeed, it would scarcely have been possible to get together in that State for any purpose a collection of men and women so representative as those whose names were printed on the list of office-bearers and committee of the New South Wales branch. In Victoria, where the honorary secretaries were Professor Orne Masson and Mr. Latham,²⁷

²³ Lieut.-Col. Sir Edgeworth David, K.B.E., C.M.G., D.S.O. Professor of Geology, University of Sydney, 1891/1924; served in A.I.F., 1915/19. Of Woodford, N.S.W.; b. St. Fagan's, Wales, 28 Jan., 1858. Died 28 Aug., 1934.

²⁴ Most Rev. Dr. J. C. Wright, Archbishop of Sydney, 1909/33; Primate of Australia, 1910/33. B. Bolton, Lancs, Eng., 19 Aug., 1861. Died, 24 Feb., 1933.

²⁵ Hon. Sir Joseph Carruthers, K.C.M.G. M.L.A., N.S.Wales, 1887/1908; M.L.C., 1909/32; Premier, 1904/7. Solicitor; of Waverley, N.S.W.; b. Kiama, N.S.W., 21 Dec., 1857. Died, 10 Dec., 1932.

²⁶ Hon. Sir Henry Braddon, K.B.E. M.L.C., N.S.Wales, since 1917; President, Aust. Comforts Fund, 1915/19; Commissioner for Australia in U.S.A., 1918/19, Superintendent for Aust., of Dalgety & Co., 1914/28. Company director; of Woollahra, N.S.W.; b. Calcutta, 27 April, 1863.

²⁷ Rt. Hon. Sir John Latham, G.C.M.G. M.H.R., 1922/34. Attorney-General, 1925/29, 1932/34; Minister for Industry, 1928/29, 1932/34, for External Affairs, 1932/34. Chief Justice of High Court of Australia, 1935. Of Malvern, Vic; b. Ascot Vale, Vic., 25 Aug., 1877.

the members of the league were equally influential and representative. The objects of the league were:

1. To advocate the adoption for the period of the present war of the principle of universal compulsory war service, whether at home or abroad; and to support the Government in providing at the earliest possible moment such organization as is necessary to secure wise and just application of this principle.

2. To secure the passage of legislation for the above purposes, and to assure the Federal Government that such measures will command the loyal support of the people of the Commonwealth.

3. To adopt any other measures calculated to promote the objects of the League.

The Australian Natives Association was another influential organisation in Victoria which gave support to the principle of conscription. This association, though primarily a friendly society, had always taken a keen interest in movements of national political importance. Indeed, its influence, at the time when federation was the foremost Australian political question, had more weight than that of any other organisation in Australia, directly through its branches in Victoria, and generally through the vigorous and public-spirited young men who placed themselves in touch with like-minded workers in other parts of the country. The A.N.A. had always supported the policy of compulsory military training for home defence, and in 1915 it had organised meetings to promote voluntary enlistment throughout Victoria. Now, at its annual conference, held at Warragul in March, 1916, the board of directors recommended to the association a resolution expressing the view that "the needs of the war can no longer be met by voluntary service," and "this association pledges itself to support the Government to utilise the services of every citizen." An amendment stating that the voluntary system should be continued, and that, if there was to be a departure from it, "there should be a compulsory levy on wealth as well as on life," was defeated, and the conference carried the motion that:

This Association urges the Federal Government to take immediate steps to fully utilise the services of every citizen and the resources of the Commonwealth.²⁸

²⁸ Report of the Proceedings of the Annual Conference of the A.N.A., held at Warragul, 1916, p. 23.

But, while there was strong agitation in favour of conscription, there was equally emphatic opposition. Trade unions and political labour organisations passed resolutions expressing disapproval. The A.N.A. found that a few of its branches, in working-class suburbs of Melbourne, dissented, though there were other branches in similar suburbs—notably that at Collingwood—which warmly supported the conscription movement, and the metropolitan committee, the most influential section in the association, carried with only one dissentient a resolution pledging itself to do all in its power “to further the decision of the Association to bring about compulsory military service during the continuance of the war.”

The movement to institute conscription in the two most populous States may be taken as typical of the manifestations of opinion throughout Australia. By the middle of 1916 there was a strong and well-informed body of opinion in favour of the policy. Some trade unions, *e.g.* the Engine Drivers' Union (July 1st), supported it, but generally within the Labour movement, with some support from outside, there existed an uncompromising anti-conscription section. Nevertheless at this time the Labour party as a whole had by no means set its face against the policy, and a study of newspaper reports during the months immediately preceding the adoption of conscription by Mr. Hughes and his followers reveals a surprisingly strong current of thought in favour of it. The *Melbourne Age* (13th April, 1916) made a careful estimate of the general disposition of the Labour party and came to the conclusion that “if a vote were taken of the rank and file of the entire movement, there would be an undoubted demand for conscription.” Such was the opinion, also, of men who got into touch with the Labour organisations; and, as far as a judgment can be formed by the present writer twenty years after the event, that view appears to have been correct. As late as September 5th Mr. Hughes addressed a largely-attended meeting of the Trades Hall Council in Sydney. The meeting began at 8 in the evening and continued till nearly midnight. Many opponents of his policy were present, but, as he explained his reasons, it became

apparent that there were as many supporters. At the conclusion, though the voting was close, the majority supported him.

Some Labour supporters who accepted the principle of conscription, however, attached to it the proviso that there should also be a "conscription of wealth." A "census of wealth" had been taken by the Government as part of the war census, and its results, published on the 1st of November, 1916, showed, as some of the newspapers noted, a remarkable unevenness in the distribution of wealth, more than 80 per cent. of the assets tabulated belonging to less than 15 per cent. of the persons dealt with. How far these statistics were accurate is open to question; but the demand for "conscription of wealth" was based on a principle which few will dispute—that those who could help the nation's cause with their wealth should make some sacrifice proportionate to the sacrifice of life and happiness made by many soldiers. The proposal, however, was not formulated in the shape of any clear and generally accepted project. Definitely, there was justice in the principle; but, also definitely, it was not fair to assume that wealth was not being sacrificed. Taxation is "conscription of wealth," and the war certainly did not leave the taxpayer untouched. Moreover it was not easy to see how some forms of wealth—such as that invested in buildings and machinery—could be "conscripted" in any ordinary meaning of the term. It was believed by their opponents that those who employed the phrase desired to disguise their opposition to compulsory service by professing support subject to a vague condition. Others who were doubtful as to conscription asked that guarantees should be given that it would not entail a reduction of the soldiers' rates of pay, and that liberal pensions would be provided for the dependants of killed and wounded men.

The members of the Universal Service Leagues hoped that Mr. Hughes, upon his return to Australia on July 31st, would pronounce himself favourable to their aim. But nearly a month elapsed before he committed himself. During that time he made several speeches, in Perth, Adelaide, Melbourne, and Sydney, but, though he spoke fervently about the overwhelming importance of the issue, he guarded himself so

carefully against any definite pronouncement that *The Worker* ventured to suggest that he would not decide for conscription. A sentence which he had used in Parliament in 1915 was frequently quoted: "In no circumstances would I agree to send men out of this country to fight against their will." There was some ground for doubt. In a speech at a dinner of Labour organisations in Sydney, he used such phrases as "the men at the front must be reinforced;" "we must go on;" "Australians, not a section but all Australians, must be prepared to make sacrifices;" "there must be organisation." But these statements were consistent with the continuance of the voluntary system of enlistment. Newspapers which had been warmly supporting the conscription policy expressed disappointment, and urged him to make his meaning plainer. In the middle of the month, in reply to a request from the organising secretary of the Universal Service League in Victoria, Mr. Frank Clarke,²⁹ that he would receive a deputation of delegates from the branches, Mr. Hughes said that he was unable to fix a date at present, "being fully occupied with urgent parliamentary business." Some were impatient, but a close observer in a letter (August 16th) interpreted the situation correctly when he wrote concerning a speech by Mr. Hughes at the Melbourne Town Hall: "My opinion is that he used slightly roundabout language because he desires gradually to win the anti-conscriptionists over to his side instead of violently coercing them. I fancy that were he to speak his entire mind he would say, 'I am introducing conscription, but you must give me time; let me do it in my own way, so that I may avoid splitting my party.'"

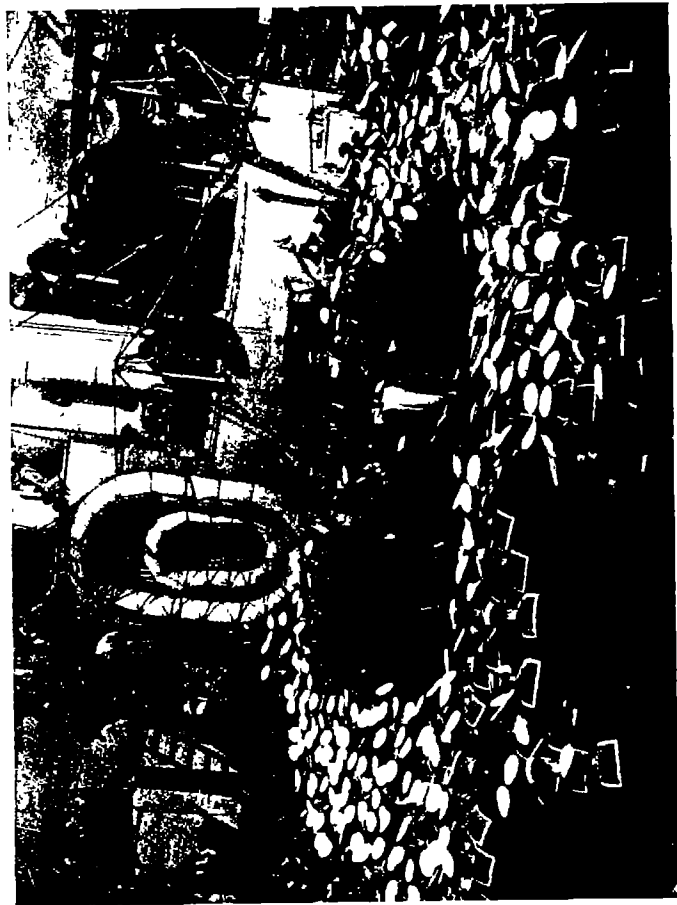
Mr. Hughes's difficulty lay in that crux. He now knew that a proposal to introduce conscription would entail the resignation of at least one member of his cabinet, and probably of several. He was prepared to face that situation, but a more serious obstacle was that of passing through Parliament an act enabling men of military age to be compelled. In the House of Representatives, even if a large number of the members of his party failed to support him, a majority for such a measure would be secured by the support of the

²⁹ Hon. Sir Frank Clarke, KBE MLC, VIC, since 1913, President since 1923 Company director, of South Yarra, VIC.; b Sunbury, VIC, 14 March, 1879.

Opposition, which was assured; but in the Senate there were not sufficient members of the Opposition to make up for the defection of those Labour senators who would certainly vote against conscription. The parliamentary situation, therefore, did not enable the requisite act to be passed. Conscription could not be enforced by direct legislative instance.

But it became clear that there was a majority in both Houses for a proposal to take a referendum on the question, and all the members of the Cabinet but one were prepared to go to that length. Cablegrams received at this juncture from the British Government made strikingly evident the need for a more adequate system of recruitment. The Australian infantry divisions in France were just emerging from the First Battle of the Somme. In less than seven weeks, at Pozières and Mouquet Farm, and in the feint at Fromelles in Flanders, they lost in killed and wounded 28,000 men. The new reinforcements then available for them in Great Britain were reported to be only 7,000, and the Army Council was threatening to break-up one of the new Australian divisions, the 3rd, which was still training in England. This information had been telegraphed to the Government by the Australian Headquarters in London, not by the wish of General Birdwood, who held the threatened action to be unnecessary. He urged that the Australian Government should be given the opportunity of sending increased reinforcements, so that the dissolution of the 3rd Division might be avoided. His staff drew up a scheme for the recuperation of the five divisions and their maintenance at full establishment during a further period of heavy fighting. It was calculated that this would necessitate a special immediate draft of 20,000 and the increase of each of the following three monthly drafts to 16,500. The War Council accepted the estimate, and on August 24th cabled to Australia, as its own recommendation, this colossal demand. "This is the only means," it added, "of retaining the 3rd Division for service in the field."

A reinforcement of 32,500 would thus be required in the next month, and 16,500 for each of the three months following. But enlistments for June were only 6,582, for July 6,170, and for August (up to the 23rd) 4,144. Obviously,



26 MR W M HUGHES ADDRESSING OFFICERS AND CREW ON BOARD
H M A S, *Australia* AT DEVONPORT DOCKYARD 21ST MAY, 1916

Lent by Chief Petty Officer C H Verrell H M A S " *Australia* "
Aust War Memorial Collection No EN 86



**27. HON. FRANK GWYNNE TUDOR, MINISTER FOR TRADE AND CUSTOMS,
1914-16; LEADER OF THE FEDERAL OPPOSITION, 1917-22**

Photo by The Swiss Studios, Melbourne

To face p. 339.

the figures required were utterly unattainable by the voluntary method. Both in Cabinet and at caucus meetings of the parliamentary party, Mr. Hughes now pressed for the imposition of conscription without delay, but he could not convince a sufficient number to enable this to be done. That there was strong disappointment among those who had hoped for immediate action is undoubtedly the case, but Mr. Hughes's critics failed to suggest a practicable alternative. If he had forced the issue forthwith and the Senate had rejected the bill, as would have been the case, the only constitutional method of securing a more amenable Senate would have been to send up the bill again in a second session, and then force a double dissolution under Section 57 of the Constitution. There was nothing to justify the conclusion that a double dissolution would certainly secure the desired result, though any opinion on that point must necessarily be speculative. A dissolution of the House of Representatives without a corresponding dissolution of the Senate would have left the difficulty unsolved. The acceptance of the referendum device was admittedly a compromise, but it met the existing situation, and no other course seemed available.

On August 30th Mr. Hughes made his purpose plain. He pointed out that Australia was already committed to the principle of compulsion for military service, but that a clear line had hitherto been drawn between compulsion for service within the Commonwealth and service overseas. Until recently voluntary recruiting had proved sufficient to meet the demands of the war, but latterly it had quite failed to do so. This failure, however, did not release Australia from her obligations to the Empire and the Allies. It was literally true that defeat in the war would mean sounding the death-knell of all Australia's hopes and aspirations, and rob her people at one stroke of all that made life worth living. "In these circumstances," said Mr. Hughes, "the Government consider that there is but one course to pursue, namely, to ask the electors for their authority to make up the deficiency by compulsion. The policy of the Government is to take a referendum of the people at the earliest possible moment upon the question whether they approve of compulsory

oversea service to the extent necessary to keep our expeditionary forces at their full strength. If the majority of the people approve, compulsion will be applied to the extent that voluntarism fails. Otherwise it will not."³⁰

By invitation of the Prime Minister, the two Houses of Parliament met together "in secret session" on August 31st, to hear "facts of great moment which it is imperative they should know." No official record was made of the statements at this gathering, which was not in fact a "session" of Parliament in the constitutional sense, but a private meeting of members, who were requested to treat as confidential the information furnished to them. On September 14th Mr. Hughes moved the second reading of the Military Service Referendum Bill in the House of Representatives. On the same day Mr. Tudor, the Minister for Trade and Customs, resigned from the Government. He made no statement to the House explaining his reasons, but he had never concealed from his colleagues his antipathy to the new policy. His resignation was the prelude to the split in the parliamentary Labour party, which simply corresponded to the split in the party outside Parliament, by this time a declared fact in the political situation. It was threatened at the annual conference of the political labour leagues of New South Wales during Easter week, and the open revolt from Mr. Hughes's leadership was signalled by his expulsion from the executive of the league. So far there had not been an open and official movement against him in the other States. But Mr. Tudor's resignation unmistakably marked the coming of the great cleavage which wrecked the Labour party and made its restoration to power an impossibility for thirteen years to come.

The split made itself apparent in the divisions upon the motion for the second reading of the bill in both Houses. In the House of Representatives the measure was carried by 46 votes to 10, and in the Senate by 19 to 9. In both instances the majorities comprised those Labour members who followed Mr. Hughes's lead to secure the passage of the bill, and the Opposition. In neither House did a single member of the Opposition vote against the bill.

³⁰ *The Argus*, Aug. 31. See also Mr. Hughes's statement of Government policy in the House of Representatives, *Parliamentary Debates*, LXXIX, p. 8402

III

The question which the Military Service Referendum Act submitted to the people was: "Are you in favour of the Government having, in this grave emergency, the same compulsory powers over citizens in regard to requiring their military service, for the term of this war, outside the Commonwealth, as it now has in regard to military service within the Commonwealth?" Mr. Hughes was sanguine not only as to the result, but as to the spirit in which the question would be discussed. "The submission of the question to the people by way of referendum," he said, "will not excite that turmoil that surrounds an election, and we shall avoid that outburst of public feeling that would be engendered by an attempt to dragoon the country or the Parliament into compulsion against its will."³¹ Mr. Watt showed a clearer perception of the probabilities when he predicted that the referendum campaign would lead to "one of the most acrimonious struggles Australia has ever seen."³²

Such, indeed, was the case. Heated political controversy was not strange to Australian public life. The bitter fight for Protection, and the subsequent Darling-Grant dispute, in Victoria during 1865-7; Sir Henry Parkes's campaign for free and non-sectarian education in New South Wales in 1878-9, when he was sternly attacked by Archbishop Vaughan; Sir John Forrest's struggle with the t'other-siders of the goldfields of Western Australia in the late nineties; Charles Cameron Kingston's several furious onslaughts upon his opponents in South Australia in the pre-federation era; Griffith's resistance to McIlwraith's proposal to permit Queensland railways to be built on the land-grant system; the gladiatorial contests between Reid and Parkes after the former had deposed his rival from the leadership of the Free Trade party in New South Wales; the Federation controversy itself, when the question hung in the balance in the one State whose co-operation was essential, and the Yes-No epithet was attached to the doubting protagonist of local interests—these and other political battles had evoked intense feeling and left upon public life marks which were slow to fade away. But if all the bitterness, abuse, misrepresentation, anger, and

³¹ *Parliamentary Debates*, LXXIX, p. 8426

³² *Ibid.*, LXXX, 8620.

hatred pertaining to the whole of these former disputes could have been pooled, the volume thereof would not perhaps have equalled the fury of the storm which burst upon Australia when the conscription issue was brought before the people for decision.

For it was veritably a life-and-death question. The advocates of conscription most sincerely believed that the good name, the honour, and the safety of their country were involved. The opponents not less emphatically contended that there was neither justification nor need for compelling the unwilling to take up arms. The main arguments for conscription were based on the contention that not merely was Australia, with the Mother Country and the Allies, fighting for the principles of democracy and freedom against a frankly militaristic *régime*, but that her territorial integrity depended upon the protection afforded by the British Empire, and particularly by the navy, and if that were destroyed—which was certain if the war were lost—Australia would be a prey to the Germans or to any other great power that chose to invade her. The existence of the nation being endangered, the conscriptionists claimed, there could be no limit to the effort required to support the Allies, whose victory alone would secure safety; and, just as in peace it was recognised that those who would benefit by a national policy should be forced to submit to it, so those whose country was being secured for them by the soldiers' effort must be forced to share in that effort. The omission to apply compulsion, its advocates felt, placed an unfair and intolerable burden on those young men who were public spirited and brave enough to bear it for the benefit of the whole nation.

The objectors stood largely upon two different principles. Part of them, like Andrew Fisher, fully agreed as to the danger threatening Australia if the war were lost, and as to the consequent necessity of carrying on the war with the utmost power that could be developed. But they profoundly believed that in this war the fullest effort could only be drawn from Australians by voluntary effort. The origins of the quarrel and the theatres of war were remote from Australia, and the general run of Australians did not see themselves sufficiently endangered to submit to compulsion. "If the

country had really been threatened with invasion," said one of the most active opponents of conscription, years afterwards, "there would have been no need for conscription; all but a negligible fraction of those who opposed conscription would have hastened to defend her." The attempt to impose conscription, they held, would only divide the country into wrangling factions, and so actually reduce and hamper the effort that it was intended to help.

But there was another and equally conscientious section which held that, however, justifiable it might be to force men to any other action, the compelling of them to take life or to assist in taking it, came in a different category. Under no circumstances whatever could it be justifiable to force a man to kill another man. The killing of a human being without hate, they held to be the most terrible act that a man could perform; and, if men bore no hatred to their opponents in this war, no government could force them to hate. A very ably written pamphlet of *The Australian Worker* put this view:—

Society may say to the individual: "You must love this; you must hate that." But unless the individual feels love or hatred springing from his own convictions and his own feelings, society commands him in vain. He cannot love to order. He cannot hate to order. These passions MUST find their source within his soul. . . . The man who is forced to fight is as vilely outraged as the woman who is forced to fondle.

The war and its issues were too remote for Australia's concern in it to be as direct and obvious as that of nearer countries, and those who fought against conscription on the grounds just stated believed that they were fighting for the freedom of their countrymen just as truly as were the men on the battlefields. "Being wholly in earnest," wrote the Reverend A. J. Prowse³³ afterwards, "I wished to suffer for my principle (by being sent to gaol) even as the soldiers were suffering for theirs." The majority of those who held these views, however, did not believe that Australia's territory was really endangered, directly or indirectly, by the war. That outcry, they said, had been raised at the time of the South African War, and always would be whenever troops were wanted in any war. The number of anti-conscriptionists

³³ Rev. A. J. Prowse. Presbyterian minister, of Zeehan and Queenstown, Tas., b. Bendigo, Vic., 21 Dec., 1873.

who were really internationalists—or, at least, who would have seen no reason why another nation should not occupy Australia territory—was infinitesimal.

If it must be acknowledged that the bitterness was increased by the prominence given to the utterances of Archbishop Mannix,³⁴ it must also be made clear that that distinguished prelate formed a separate storm-centre, giving to and receiving from the main subject of controversy elements which, strictly speaking, were foreign to it. The Irish Sinn Fein rebellion, of Easter week, 1916, and the archbishop's undisguised sympathy with his countrymen in their effort to smash the existing system of government in Ireland, struck in the hearts of the Irish-Catholic population of Australia chords which harmonised with the ping of bullets in the streets of Dublin rather than with the roar of artillery in Flanders. Dr. Mannix, and the thousands who soon came to look to him as their mouthpiece and their leader, espoused another loyalty than that which had animated every class and section in Australia in the early months of the war. But, to those of his opponents who felt with every nerve the solemnity of Australia's obligations to the British Empire, there could be but one loyalty in the crisis of the moment, and the archbishop's references to the war struck them at first with indignation, which gave place to passionate anger as he repeated and emphasised his views.

Monsignor Daniel Mannix was President of Maynooth College when Dr. Carr,³⁵ Archbishop of Melbourne, visited Ireland in 1908. Of all the ecclesiastics whom he met during that sojourn in his native country, Dr. Carr regarded Dr. Mannix as the one whom he most desired to succeed him as the head of the Church in Victoria. Negotiations ensued, with the result that in 1913 Dr. Mannix arrived in Melbourne to occupy the office of Coadjutor-Archbishop, *cum jure successionis*. In one of his many speeches during the conscription campaigns, Dr. Mannix said that he disliked controversy, and had never been accustomed to it until he

³⁴ Most Rev. Dr. Daniel Mannix. Roman Catholic Coadjutor-Archbishop of Melbourne, 1912/17; Archbishop since 1917. B. Charleville, Co. Cork, Ireland, 4 March, 1864.

³⁵ Most Rev. Dr. T. J. Carr. Roman Catholic Archbishop of Melbourne. 1886/1917. B. County Galway, Ireland, 1839. Died, 6 May, 1917.

came to Australia.³⁸ It can be understood that a scholar, who had been Professor of Philosophy, and later Professor of Theology, in a celebrated seat of learning, had not been vexed exceedingly with disputatious interludes, except in the calm academic atmosphere which admits of intellectual curiosity without excessive cerebral excitement even in the consideration of subjects which have torn the world in twain, like the heresies of Arius and Nestorius, the treatises of Lorenzo Valla and Marsilio of Padua, and the revolutions made by Luther and Calvin. Dr. Mannix, it is true, had other interests than those arising out of the politics of the day. His noble zeal for higher education found an object worthy of his commanding ability in the building of Newman College within the University of Melbourne, and the establishment of the college for the education of priests at Werribee, institutions which are likely to endure as monuments to him whatever other activities fail to survive the tooth of time. But aversion to controversy is not easy to trace in his Victorian career from the beginning, while from 1916 onwards he rarely permitted a brief period to elapse without putting the bellows to the embers.

Tall, straight, spare, dark, with thin face and sharp features, a quick glance, eyes alert, the voice of a practised orator, with a rich range of piercing tones, Archbishop Mannix was a man of natural distinction cultivated by study and discipline. He rarely spoke at much length, but never failed to make his audience understand every shade of meaning that he wished to convey to them; and he often did this more effectually, perhaps, by the artifice of pause and emphasis—the stressing of a word or a moment of delay after a phrase—than by virtue of the literal implication of the things said. Some phrases he repeated in different addresses, especially those to which his critics objected most. If a thing which he had said gave offence, he was virtually certain to say it again, unless a more poignant form of the thought occurred to him in the meantime. “I am unchanged and unrepentant,” he once said, and that was characteristic,

³⁸ “I do not remember that up to the time I came to Australia I ever took part in controversy of any sort or description. The reason for the change that has come in my habit of life must be that in the old countries I had never come in close official contact with people like some of those I have met since I came to Australia.”—Speech of 9 April, 1917

There is no instance, in his many speeches during the period under consideration, of his softening an utterance or conciliating an opponent. He meant what he said, and, with all his fervour of speech, he did not speak without consideration. If any critics thought him reckless, in the sense of careless, they were mistaken.

The head of the Catholic Church in Victoria was Dr. Carr, until the death of that venerable prelate on the 6th of May, 1917. During the first referendum campaign, therefore, the statements of Archbishop Mannix upon the question of the time cannot be taken as official pronouncements. Archbishop Carr was not quite in accord with his coadjutor on some points. Though he had always been a strong supporter of the policy of Home Rule, he manifested no sympathy for the authors of the Dublin rebellion. On the contrary, he denounced their "criminal folly."⁸⁷ Upon the war, though Archbishop Carr did not go to the length of his archepiscopal colleague in Sydney, in joining the Universal Service League; or of Archbishop Spence⁸⁸ of Adelaide, in impressing upon his people that it was "a just war;" or of Archbishop Clune⁸⁹ of Perth, who consistently advocated conscription; he did nothing to discourage voluntary recruiting, and on several occasions strongly resented accusations impugning the loyalty of members and priests of his Church. When the conscription issue was raised, Dr Carr pronounced his attitude to be: "Conscription is purely a state matter. The Church neither advocates nor opposes it. She leaves it to her members to freely decide how they should vote."

Archbishop Mannix, however, stood forth as an uncompromising opponent of conscription; and it was the emphatic and oft-repeated terms of his opposition during this period of excitement which gave him an influence among the Irish-Catholic population of Australia, far exceeding the range of his ecclesiastical jurisdiction. His voice expressed their convictions; and other prelates of the Church who did not

⁸⁷ *The Argus*, 24 Aug., 1916

⁸⁸ Most Rev. Dr. R. W. Spence Roman Catholic Coadjutor-Archbishop of Adelaide, 1914/15; Archbishop, 1915/34 B. Cork, Ireland, 13 Jan., 1860. Died, 5 Nov., 1934

⁸⁹ Most Rev. Dr. P. J. Clune Roman Catholic Bishop of Perth, 1911/13; Archbishop, 1913/35 B. Rouan, Co. Clare, Ireland, 6 Jan., 1864. Died, 24 May, 1935

share his opinion sustained a certain measure of unpopularity. In so far as his arguments were directed simply against the policy of enforcing military service outside Australia, the exception that could be taken to them by the supporters of conscription was such as naturally arose from disappointment that a man so widely influential should have adopted the views which he expounded. But in fact he went beyond those limits, and some of his utterances were not consistent with sympathy towards voluntary recruiting. Thus, in an address delivered within a few days of the Prime Minister's introduction of the Military Service Referendum Bill, he said: "I have been under the impression, and I still retain the conviction, that Australia had done her full share—and I am inclined to say even more than her full share—in this war."⁴⁰ If Australia had done more than her full share, that declaration was effective against doing any more either by voluntary enlistment or conscription. After the first referendum Dr. Mannix made other observations, to be noticed in due course, which were apparently intended to have, and certainly did have, a depressing effect upon recruiting. From the beginning his attitude was, if not studiously unfriendly to the cause of Great Britain and the Allies, at least not patently friendly to it. Many Catholic laymen expressed their indignation; and the Delegate Apostolic to Australasia, Archbishop Cerretti (afterwards Cardinal, and a Vatican diplomatist of high distinction), took occasion to say to the Governor-General (27th May, 1917) that he "strongly disapproved" of Archbishop Mannix's utterances, and would make representations to Rome to that effect.

The case for conscription was supported by nearly every influential public man in Australia apart from those members of the Labour party who declared themselves anti-conscriptionists. Sir John Madden,⁴¹ Chief Justice of Victoria, broke the rule generally observed by judges by publishing a declaration upon a burning political question. The heads of every non-Catholic Church in the country gave the cause their benediction; and leading officers of the Salvation Army spoke on the same side. The principal newspapers of the

⁴⁰ Address at Clifton Hill, Sept. 16

⁴¹ Hon. Sir John Madden, G.C.M.G. M.L.A., Victoria, 1874/83; Chief Justice of Victoria, 1893/1918. Of Melbourne; b. Cork, Ireland, 16 May, 1844. Died. 10 March, 1918.

Commonwealth were unanimously favourable. The *Melbourne Age*, which sustained a traditional adherence to democratic causes, wrote in its most caustic and slashing style on the same side, castigating those who failed to enlist as "muddy-mettled wastrels who disgrace the country in which they skulk and shirk and play the dunghill cock." *The Bulletin*, crimson-clad evangelist of advanced political thought, gave brilliant support both in writing of characteristic pith and vigour, and in cartoons—notably those of Norman Lindsay and David Low—of a grim and forceful appeal. The parliamentary supporters of the Government policy did not spare themselves in travelling and speaking. Violent disturbances occurred at public meetings in some suburbs of the capital cities and in a few country towns, though it was notable that people in the country showed a greater degree of tolerance in listening to the arguments on both sides than did those in the cities. In the capitals, in some cases, personal menace assailed those who were endeavouring to secure the compulsory enlistment of all suitable men. On the other side, returned soldiers were not slow in breaking up the meetings of those whom they believed to be attacking the cause of their comrades at the front.

Chief of all, the Prime Minister threw himself into the conflict with unexampled energy. He had said in Parliament, "For myself, I say that I am going into this referendum campaign as if it were the only thing for which I lived";⁴² and the most stalwart of his opponents could not but acknowledge that he strained every ounce of strength to convince the people that his policy was the right one. Commencing with a rousing speech at a vast meeting at the Sydney Town Hall on September 18th, he afterwards made a tour of the States, delivering addresses to great audiences. On these long journeys he was continually pursued by messengers and secretaries bearing urgent papers for him to read and minute, and wherever he alighted bundles of telegrams were cast before him. The speeches were numerous and marked by unflagging freshness and force, and between the meetings business was transacted in railway carriages. Nor were Mr Hughes's efforts confined to Australia. The cables tingled

⁴² *Parliamentary Debates*, LXXIX, p. 8425

with messages to Mr. Keith Murdoch in London, urging him to organise the campaign to secure a favourable vote from the soldiers, to secure and forward exhortations from the British and French labour leaders and, if possible, a demand from the men in the trenches. Haig, Joffre, Birdwood, and Arthur Henderson⁴³ were petitioned for such messages. British ministers were besought to settle the difficulties in Ireland, which were influencing the Irish vote in Australia, or at least to give Mr. Hughes the credit for pressure to ease the conditions there. As a sheer feat of physical and mental exertion, Mr. Hughes's expenditure of himself in those forty days and forty nights between the commencement of the campaign and the taking of the referendum was as remarkable an achievement as he ever performed. No other man on either side of the controversy did so much: few could have reached his limits of exertion.

A National Referendum Council was organised, with branches in all the States, to co-ordinate efforts and pool ways and means. Posters and pamphlets were made available to local committees, speakers for public meetings were enlisted, house-to-house canvasses were arranged. The council, through its committees and canvassers, tried to get into touch with all persons possessing local influence, and through them to make a direct appeal to persons entitled to vote. It is, indeed, difficult to see that the campaign could have been better or more completely organised, or that more effort could have been put forth by leaders and supporters, to secure a "Yes" vote at the referendum.

At the beginning of October, anticipating that the referendum would endorse conscription, and desiring to commence the training of as large a number of men as possible, in order that reinforcements might be despatched without delay, the Government issued an order which became the subject of bitter criticism. Exercising its power under the Defence Act, it called upon all unmarried men between 21 and 35 to register at once for military service *inside the Commonwealth*, and, if shown to be medically fit, to go into camp.

⁴³ Rt. Hon. Arthur Henderson, Chairman, British Parliamentary Labour Party, 1908/10, 1914/17; Member of War Cabinet, 1917/18, Home Secretary, 1924; Secretary of State for Foreign Affairs, 1929/31, President, World Disarmament Conference, 1932/33. B Glasgow, 13 Sept., 1863. Died, 21 Oct., 1935.

By regulation, there were set up throughout the Commonwealth exemption courts, before which application for exemption from service might be made by any man who considered that he had claims under any of the regulations which were now promulgated. These clauses consisted broadly of two classes. The first group applied to persons who were exempt for the reasons set out in the clauses. The second group applied to persons who might claim to be exempt as coming within one or other of the categories set forth. As to the first group, the magistrates constituting the exemption courts had no discretion. As to the second group, they exercised their judgment as to whether the grounds of the application were sufficient. Every applicant had to appear in person; solicitors or agents were not permitted, by the regulations, to argue the case for an applicant.

The persons who were exempt from combatant service without further question were those reported by prescribed medical authorities as unfit; members and officials of Commonwealth and State Parliaments; judges and stipendiary or special magistrates; ministers of religion; persons employed in police or prison services; persons employed in lighthouses; medical practitioners and nurses employed in public hospitals; persons who were not substantially of European origin or descent; persons who satisfied the prescribed authority that their conscientious beliefs did not allow them to bear arms; and persons engaged in any employment specified by regulation or proclamation. To obtain advantage of the second group of exemptions, persons had to apply to the local exemption courts for certificates. These might, at the discretion of the courts, be granted to those who were considered to be engaged in employment in which it was in the national interest that they should continue; to persons who in the national interest should be allowed to engage in work in which they wished to engage; to persons who were being trained for special work in which it was desirable in the national interest that they should be employed; to persons from whose application to military service serious hardship would ensue; to any man who was the sole surviving son, or one of the remaining sons, of a family of whose sons one half at least had enlisted; to any man who was the sole support of aged parents, or of

a widowed mother, or of orphan brothers or sisters; to any man who was the only son of a family. These exemptions were very wide, and they enabled the exemption courts to exercise their discretion freely. Thus, Mr. David Low secured exemption on the ground that his work was of national interest—as indeed it was, though a large part of the most effective productions of his pen consisted of caricatures of the Prime Minister. If the eminent cartoonist had not been left free to practise his art, we should have been deprived of one of his most masterly *Bulletin* pictures: that brilliant drawing representing a court scene, wherein the Prime Minister was shown as the judge on the bench, the judge's associate, the prisoner in the dock, the policeman, the counsel at the bar, and the jurymen, every face different in expression, yet each one a portrait in caricature.⁴⁴

An unfortunate feature of this mobilisation was that finger-prints were to be taken of the men called up. There were sound reasons for this, as explained by the Minister for Defence.⁴⁵ The object was to have a means of identifying those to whom certificates of exemption were granted. It was found that some persons to whom these certificates had been granted gave or sold them to other persons who had not a genuine claim to exemption, and they were fraudulently used by those who were not entitled to them. The name upon a certificate was not a guarantee against this kind of impersonation, unless there were also a means of identification. It was considered that the finger-print would serve as a protection against fraud. But the taking of finger-prints was a method of identification associated with the detection of crime, and many perfectly honest men, who obtained certificates of exemption for valid reasons, resented being subjected to what they regarded as a slur upon their probity. Consequently, it is probable that both the obligation of securing exemption from the courts, and the process of identification which was adopted to guard against an improper use of the certificates granted, produced irritation. There were also cases in which it was alleged that the exemption courts had

⁴⁴ The cartoon is reproduced on p. 387.

⁴⁵ *Parliamentary Debates*, LXXX, p. 9221. "What we are trying to ensure is that when men do evade the compulsory law they shall not be able to escape by producing a certificate of exemption which had really been given to another man."

acted harshly in refusing certificates, but evidence to justify a charge of any general injustice is not strong. The courts appear to have been patient and considerate, dealing fairly with the applications made to them.

In spite of the immense effort by which the appeal for conscription was supported, the result of the referendum was a clear negative. The voting took place on Saturday, 28th October, 1916. The counting was not complete for a few days, but by Monday it was apparent that conscription had been defeated. The final figures gave a "No" majority of 72,476. Three States, Victoria, Tasmania, and Western Australia, gave "Yes" majorities; New South Wales, Queensland, and South Australia voted "No." The total votes cast—excluding 61,013 informal—was 2,247,590, of which 1,160,033 were negative and 1,087,557 affirmative. The following table shows the voting by States:

State.	"Yes" votes.	"No" votes.	Result.
New South Wales ..	356,805	474,544	No
Victoria ..	353,930	328,216	Yes
Queensland ..	144,200	158,051	No
South Australia ..	87,924	119,236	No
Western Australia ..	94,069	40,884	Yes
Tasmania ..	48,493	37,833	Yes
Federal Territory ..	2,136	1,269	Yes
	<u>1,087,557</u>	<u>1,160,033</u>	<u>No</u>

The votes of the soldiers, on service and in the camps and transports, were counted in the totals of the States to which they belonged, but a separate record was kept of them. They totalled 72,399 affirmative votes and 58,894 in the negative.⁴⁶

On the day before the referendum three other members of the Government resigned, Mr. Higgs (Treasurer), Senator Gardiner (Vice-President of the Executive Council), and Senator Russell (Honorary Minister). Their resignations were influenced by what they described as "the undue

⁴⁶ Mr. Hughes had already been warned by Keith Murdoch that the campaign for votes among the soldiers at the front had been a failure. The speakers—prominent Australians from London—could not, he said, even get favourable meetings. It was afterwards suggested—though without proof—that the majority of "yes" votes had been due to the votes of soldiers in the overseas camps or in transports being favourable to conscription. A priest in Victoria announced what he claimed to be the figures for the overseas soldiers' vote. A search of telegrams by the censor revealed that the information had come in an apparently innocent telegram relating to "ewes" and "wethers."

interference of the Prime Minister in the conduct of the referendum, in issuing regulations under the War Precautions Act providing that military questions may be put to voters at the polling booths." The questions to which they objected were additional to the usual enquiry made of electors at Commonwealth elections or referendum polls, requiring them to state whether they had voted already at any other polling place. An elector was now to be asked whether he was a naturalised British subject born in any country which formed part of the territory of any country with which Great Britain was then at war; and, in the case of any male elector, whether he had reported to the military authorities, provided he was liable for service under the Military Precautions Act. The offices of the four members of the Cabinet who had now resigned were not immediately filled, a clear indication that by the end of October Mr. Hughes anticipated that the Cabinet had not reached the end of its process of sloughing.

IV

Those who were most surprised, though naturally most gratified, by this result were the members of the anti-conscriptionist wing of the Labour party. They had fought under many disadvantages. They were a divided party. Their official leader, the ablest man they had, was on the other side. Their former leader, the first Labour Prime Minister of the Commonwealth, Mr. Watson, took the field against them. The Labour Premier of New South Wales, Mr. Holman, was an eloquent and incisive conscriptionist. Only one State government gave support to the "anti" cause, that of Mr. Ryan in Queensland. A large number of the men who had been the creators of the political Labour party in States and Commonwealth were now dissociated from the majority of its members. So extensive a loss of influential personnel was necessarily a severe handicap. The Labour press was whole-heartedly anti-conscriptionist, and *The Worker*, conducted with signal ability, fought with tooth and claw in the cause; but the lack of a daily newspaper with a large circulation was a serious impediment. The opponents of conscription had to depend upon the zeal of the rank and file to a very large extent, and in this respect they were

at an advantage in commanding the services of young, energetic, and ambitious men, capable public speakers, and all animated by a passionate missionary fervour. The greatest advantage lay in the perfect organisation of the Labour unions throughout the Commonwealth, with their intimate relations with tens of thousands of voters, their competent secretariat, and their closely-knit system. Much as was done by the improvised National Referendum Council on the other side, it is questionable whether it was able to stretch out so far or reach so many individuals as were the unions, which, also, were able to find sufficient money for campaign purposes.

It should also be made clear that the Government, through the Prime Minister and the Minister for Defence, gave explicit undertakings that there would be complete freedom of speech, without interference by the censorship, during the campaign. Mr. Hughes announced that:

Both by word of mouth and through the columns of the press every person is at liberty to speak as he thinks fit, subject only to the laws of the land, to saying nothing to discourage voluntary recruiting, insulting to our Allies, or calculated to incite any persons to commit a breach of the law of any State or the Commonwealth. Subject to those restrictions, speech during the referendum campaign will be absolutely free to both sides, irrespective of opinions.⁴⁷

This undertaking was honoured throughout the campaign, in spite of the extreme nature of some of the statements made. For example, it was alleged that there was a conspiracy to secure an influx of cheap Maltese labour to replace the men who would be conscripted and sent to the front; it was even stated that this was the real object of the conscription campaign. These attacks had their origin in the arrival in Australia in September, 1916, of 98 Maltese men, largely of military age, by the P. & O. liner *Arabia*. No such batch of immigrants had arrived during the year, and in trade union circles it was suspected that they were being secretly imported under contract—an illegal proceeding. The Minister for External Affairs, Mr. Mahon, himself held this suspicion. The Maltese averred—and it appears to have been proved—that they had paid their own passages. They had long been waiting to emigrate, knowing Australia to be a “good country,” and there were many more, they said, on their way. These rumours were likely to have disastrous effects on the

⁴⁷ *Parliamentary Debates*, LXXIX, 8482. The pledge was repeated at p. 8554.

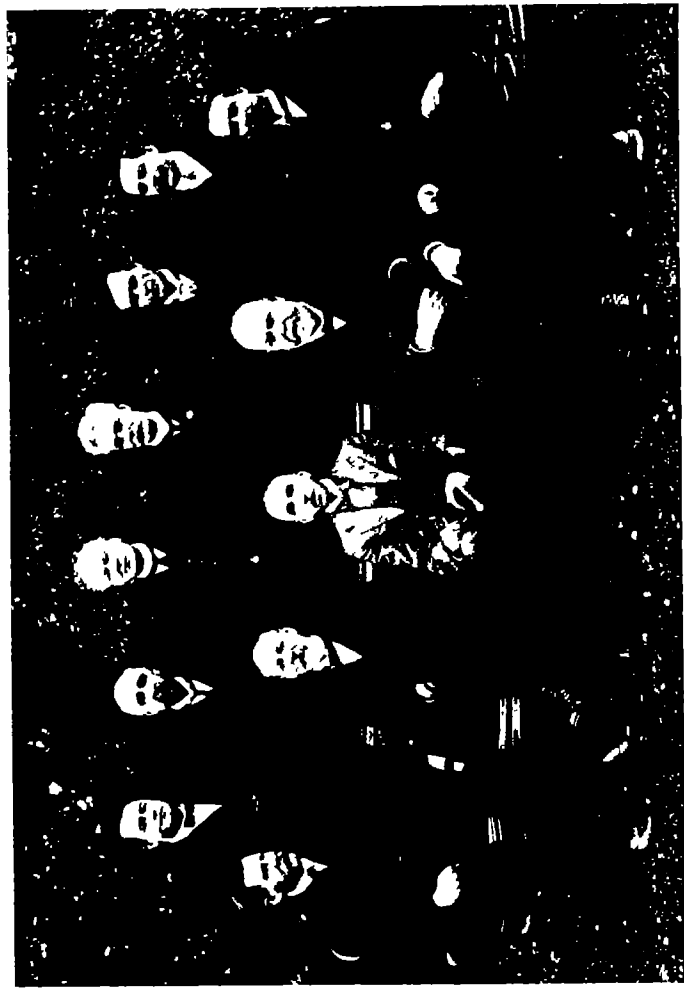


28 THE SECOND HUGHES MINISTRY, 1910-17

Top row (left to right) Hon W O Archibald, Hon W Webster, Hon W. G. Spence, Hon P J Lynch, Hon. F W Bamford *Centre:* Hon W H Laird Smith, Hon G F Pearce, Hon E J Russell, Hon. A Poynton, Hon J. A Jensen *Bottom* Rt Hon W M Hughes.

*By permission of the Commonwealth Government
Aust War Memorial Collection No 42821*

To face p 354.



29 THE FIRST NATIONALIST GOVERNMENT, 1917

Back row (left to right) Hon E J Russell, Hon. P. M. Glynn, Hon J. A. Jensen, Hon. W. Webster, Hon W A Watt, Hon L E Groom *Front row* Hon E D Mullen Rt. Hon Joseph Cook, Rt Hon. W M Hughes, Rt. Hon Sir John Forrest, Hon G F Pearce

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Aust. War Memorial Collection No A2822.*

conscription campaign, and the Government therefore, on October 3rd, telegraphed to the Secretary of State for the Colonies.

The action of permitting British subjects, who are eligible to fight, to leave their own country for another part of the Empire, where they will take the places of men who have gone to the front, is likely to create a strong feeling of dissatisfaction here.

The British Government was asked to instruct the Maltese Government to issue no more passports to single men fit for service or to married men unaccompanied by their wives. At the same time Mr. Hughes publicly stated that the Australian people might rest assured that the immigration of cheap labour, from whatever country, would not be permitted.

This statement had barely been published when the trouble was made many times more serious by the receipt of news that a French steamer, the *Gange*, had already left Malta with over 200 more immigrants and was due to arrive shortly before the polling for the referendum. Efforts little short of desperate were made by the Government to stop the ship or to have her diverted to Darwin, Fiji, or Samoa, or at least prevent the Maltese from reaching Australia until after the poll.

If they do . . . it will kill the referendum, which would be a great national disaster.

The Secretary of State could only explain that it was too late for him to take effective action. Lord Methuen,⁴⁸ the Governor of Malta, said that there was no fear of a large influx—the numbers intending to go to Australia were similar to those for the previous years: 466 had gone in 1912, 304 in 1913, 346 in 1914, 159 in 1915. All had long been waiting an opportunity to sail. Some were merely returning to their families in Australia. As it was clear that the ship could not be stopped, Mr. Hughes was forced, on October 19th, to announce her approach and the decision of the Government that the Maltese in her would not be allowed to land. Her captain was made to carry them on to New Caledonia whence, after being retained for a few weeks at the expense of the Commonwealth Government, they were returned *via* Sydney

⁴⁸ Field-Marshal Lord Methuen, G.C.B., G.C.M.G., G.C.V.O. Governor of Malta, 1915/19. Of Corsham Court, Wiltshire; b. 1 Sept., 1845. Died, 30 Oct., 1932.

to their own country.⁴⁹ This was certainly a hardship to the Maltese, who had sailed before the Australian Government's decision was made, but such immigration to take the place of men serving at the front would undoubtedly have caused extreme bitterness.

All this had added vehemence to the campaign, and signs were not lacking that Andrew Fisher's fears as to the results of a possible enforcement of conscription were well-grounded. Landowners and farmers were indeed threatened with the destruction of their property if it were enforced. They were told, "You may win at the poll, but afterwards what about your wool-sheds, homesteads, haystacks, barns, and live stock?" Posters and cartoons displayed agonising pictures accompanied by the question: "Will you send another woman's son or husband to his death?" The censors were worried by complaints from both sides, from those who contended that they were too restrictive and those who charged them with being too lax. But for Mr. Hughes's pledge, it is probable that they would have restrained the appeal of such posters as tending at least to hamper voluntary recruiting. But the question so put to the women was, after all, definitely part of the issue, and, if a genuine vote was to be sought, such problems had to be faced by the voter. Extreme statements were also doubtless made by conscriptionists as to the motives of those who opposed compulsion. It is at all events certain that restraint of freedom of opinion was not a cause of the defeat of the Government's policy.

Political post-mortems suggested various explanations of the result. It was said that a tactical mistake was made in putting into operation before the referendum the machinery under the Defence Act, enabling the Government to call up men of military age for home defence. The word "war," as defined in that act—that is, the kind of war for which men might be called up—meant:

Any invasion or apprehended invasion of, or attack or apprehended attack on, the Commonwealth or any Territory under the control of the Commonwealth by an enemy or armed force.

⁴⁹ A few, who had previously resided in Australia, were allowed to land there Mr. Hughes on Dec. 9 telegraphed to the Secretary of State that the Governments of New Zealand, Canada, and South Africa were not prepared to admit the others. New Caledonia did not want them, and they themselves were not prepared to go to Samoa. There was therefore no alternative but to send them back to Malta.

Objection was taken that the order issued at the beginning of October was not for the purpose of home defence, but to put the men in training for overseas service. Two barristers signed an "opinion" that the order was illegal, as there was no state of "war" within the terms of the definition, but no attempt was made to challenge its legality in the courts, and the Government was fortified by competent advice that they were the judges of whether the circumstances of the Commonwealth justified their action. The order resulted temporarily in an increased enlistment for overseas service, but it caused some amount of irritation, and it is probably true that it affected the votes of certain of those subjected to it, who "found that the measure affected more or less adversely their immediate personal interests, and they were placed in the position of having to decide between these very obvious interests and the less tangible, though just as real, national interests"⁵⁰ It is also probably true that the order operated upon a number of unwilling men. But, if they were unwilling, they would almost certainly have voted "No" in any case. How far this factor affected the result is necessarily a matter of conjecture. It is not to be denied that the methods associated with exemptions are likely to have accounted to some extent for the "No" majority, but it would be unsound to lay much stress on this consideration; first, because it may reasonably be assumed that those who applied for exemption on grounds which the courts considered inadequate, would have voted "No" under other circumstances, and, secondly, because the courts operated in precisely the same manner in the three States in which there were "Yes" majorities, as in the three which voted "No."

When the conscription proposal was defeated at the referendum, those who had gone into camp under the October compulsory service order were free to go home, and many did. But nevertheless this order, combined with the apparent imminence of conscription, had had the effect of raising the number of recruits from 6,345 in August to 9,325 in September, and 11,520 in October; and, though the numbers enlisted fell off to 5,055 in November and 2,617 in December, the net result was a considerable addition to the army.

⁵⁰ This point is made by the writer of a very able article on "The Conscription Referendum," in *The Round Table*, March, 1917, p. 385

Another reason given for the defeat of the Government policy was the unsatisfactoriness of the information available as to how many recruits per month were necessary to keep the Australian forces in the field up to full strength. The anti-conscriptionists made much of the point that there was "juggling" with figures, and that the real intention was not merely to maintain the existing five divisions, but to form fresh units, and that to attempt to do this was beyond the capacity of the country. Mr. Hughes, in his ministerial statement of 30th August, 1916, explained that "the number of reinforcements required for next month is 32,500."⁵¹ This computation was based upon the Army Council's demand, which had been cabled by the Secretary of State for the Colonies on August 24th as follows:

Army Council wish your Government to be informed that owing to heavy casualties recently suffered by Australian divisions in France it will be necessary to draw on third division for reinforcements. They therefore recommend that special draft of 20,000 infantry in addition to normal monthly reinforcements be sent as soon as possible to make good present deficit and so enable 3rd Division to be again brought up to strength. They further recommend that for three months following despatch of this special draft the monthly reinforcements of infantry sent should be calculated at 25 per cent of establishment, that is, about 16,500 per month for five divisions. Council are aware provision of this additional personnel may greatly inconvenience your Government in training and other arrangements, but it is the only means of retaining 3rd Division for service in the field.

The Commonwealth Government had replied (August 31st): "Will send special draft of 20,000 infantry immediately as transport comes to hand, and thereafter 16,500 per month." This meant that within a year from September, 1916, Australia would have to raise 175,000 additional troops, making her total about 400,000. At a later date Mr. Donald Mackinnon, who had then been appointed Director-General of Recruiting, stated in a memorandum that the figure of the Army Council was "an over-estimate," and that so heavy a demand was "a hindrance and discouragement to recruiting." An estimate prepared by Major-General Legge in 1917 figured the number of recruits required per month at 4,650, to which had to be added 450 per month for the forces then in Egypt—total, 5,100; and, a year after his former estimate, General

⁵¹ *Parliamentary Debates*, LXXIX, p. 8402. The figures were further explained by the Minister for Defence in the Senate on 1 Sept. (*Ibid.*, 8411).

Birdwood also, on the 28th of October, 1917, informed the Commonwealth Government that a total of 5,500 reinforcements per month would be essential to maintain five divisions in the field.⁵² Of course, the number of recruits necessary depended directly upon the amount and nature of the fighting undertaken by the field forces, and, when recruiting in Australia declined, the divisions in France were "nursed" during the following winter on a quiet front. Both the British and Australian army commands in the end had to cut their coats to suit their cloth. Nevertheless, in the light of these figures, it is apparent that the Australian commanders in the field and the Army Council asked for more than twice as many men as were eventually thought necessary to keep the five divisions up to strength. The anti-conscriptionists in 1916 had not the assistance of this astonishing result, but there were among them men who had worked out the requirements on the basis of the wastage, and came to the conclusion that the estimate upon which the Government acted was excessive. And it was afterwards indubitably demonstrated that, in this, they were right.

After the rejection of the referendum the Commonwealth Government had to withdraw its promise to find this huge reinforcement. On November 10th the Prime Minister telegraphed:

My cable of 31st August requires amendment. Not possible now to provide the 20,000 not large reinforcements promised .

It is not probable, however, that the argument from statistics had much weight with the voters. The negative majority was influenced by other considerations. Emotional appeals and reluctance to employ compulsion against men who did not wish to leave their own country to fight abroad, the feeling that voluntary recruiting had not been proved inadequate and would give all the troops required, the belief that Australia was being drained of its young manhood to too great an extent, honest repugnance to condemning men to endure the horrors of war against their will—these currents

⁵² The highest estimate furnished to the Government in 1917 was that of Brig.-Gen. H. J. Foster, chief-of-staff, who after a detailed analysis of the casualties and wastage, considered that the number required to be sent abroad was from 6,340 to 7,340 per month. No estimate in 1917 asked for much more than half the number thought by the A.I.F. staff to be necessary in 1916.

of opinion, rather than calculations which might be correct or otherwise, turned the scale. The importance of the Army Council's demand lay in its effect on the ministry responsible for finding the reinforcement. It must be acknowledged that if the real need of the Australian army, and not the inflated estimate of the Army Council, had been kept in view as the requirement, voluntary recruiting might have been recognised as capable of giving the reinforcements sufficient for the five divisions. There is no question that the larger figure was put forward in good faith by the Australian staff in the field,⁵³ which was threatened with the break-up of the 3rd Division. Whether the Army Council or the Australian authorities in London, who were in touch with it in this matter, were equally sincere in passing on the threat that the 3rd Division would be broken up, is another matter. As it turned out, neither the reinforcement required, nor anything approaching it, was furnished; and yet the 3rd Division was not broken up. On the contrary, the Army Council insisted that it must sail for France at an early date. There is not lacking evidence that the authorities in London were partly impelled by the desire to furnish a motive for the adoption of conscription by Australia.

The task which the advocates of the Government policy had set themselves to achieve was one which no other country engaged in the war, and no country involved in war at any time in the world's history, had required to be performed. Great Britain, the United States of America, Canada, and New Zealand enforced conscription, but their governments did not ask their people to declare by referendum whether they would like conscription. The appeal to the people by referendum was not merely an appeal to reason, or patriotism; it was an appeal to every intimate interest and tendency, every natural instinct and prejudice deep hidden in the breast of the individual voter, man or woman. It was addressed to those who had honest and intense convictions for or against this war, or any war; it was an appeal to all who supported or opposed the war from any base motive of self-interest or from sheer ignorance. A referendum is

⁵³ General Birdwood and his staff at the time anticipated another onset in the Somme battle similar to the Pozzières fighting. See *Vol. III* of this series, pp. 862-9, in which the subject is discussed in more detail.

necessarily a reference of the issue at stake to every kind of competence and incompetence, nobility and baseness, wisdom and folly, that the country comprehends within its electorate. It is a dubious method of determining what a government ought to do in a grave national emergency. There is reasonable certainty that some of the most momentous decisions in history would never have been achieved if they had depended upon referendum appeals to the people affected. The theory of the divine right of kings would not have been defeated in England, and the independence of the United States might not have been won in America, if popular determinations by referendum had been necessary, since both victories were achieved by minorities.⁵⁴ It is remarkable that in Switzerland, which is the home-land of the referendum, "measures for external safety and also for the maintenance of the independence and neutrality of Switzerland, the declaration of war and the conclusion of peace" are matters within the competency of the Federal Council and the Assembly, and do not depend upon referendum decisions.⁵⁵

Even if the Government had secured a "Yes" vote at the referendum, they would not thereby have been substantially nearer to securing legislative sanction for the enforcement of conscription than they were before the campaign commenced. They still lacked a majority in the Senate. After the definite split in the parliamentary Labour party, to be discussed in the next chapter, Mr. Hughes could count upon 11 supporters among the Labour senators. These, added to the 5 members of the Liberal Opposition, gave him 16 in a house of 36. The referendum by itself could settle nothing. The constitution of the Commonwealth recognises resort to a referendum for one purpose only, namely, for ascertaining the decision of the electors upon a definite proposal to amend the constitution itself. Section 128 provides that if a "proposed law" for amending the Constitution is approved in a majority of the States and by a majority of the electors voting, it shall be presented to the Governor-General for Royal assent. But the proposition submitted to the electors on 28th October, 1916, was not a "proposed law." It was a question upon which

⁵⁴ See Trevelyan, *England under the Stuarts*, p. 226, van Tyne, *The Causes of the War of Independence*.

⁵⁵ Deploige, *The Referendum in Switzerland*, p. 146

it was desired to ascertain the opinion of electors. If the result had been affirmative, an act of parliament would have been necessary to give validity to it. Could such an act have been passed through a parliament constituted as the existing Parliament was?

When Mr. Hughes was explaining the ministerial policy in September, Mr. Watt made the observation: "A referendum cannot bind the Senate." To that objection Mr. Hughes replied: "I will say quite frankly that the Government will consider the verdict of the people as sufficient authority. What is more, I venture to say that every member of Parliament will do so."⁵⁶ By this Mr. Hughes may have meant that the Government would have regarded an affirmative vote as conferring power to enforce conscription under the War Precautions Act regulations without further legal sanction. It is not probable that the majority in the Senate would have accepted his optimistic interpretation of what "every member of Parliament" would do. On the contrary, the senators composing that majority were by this time pledged to resist conscription. All the turmoil and bitterness of the referendum campaign would therefore, even if the referendum had been favourable, simply have brought the Government back to the position in which they were in September, when it was sought to avoid forcing a double dissolution. They would have been strengthened in the pursuance of their policy by the knowledge that they had the country at their back, and could have forced the double dissolution with confidence.⁵⁷

The Governor-General's interpretation of the referendum, in a letter of 30th October, 1916, was that Mr. Hughes "yielded to his better judgment, partly because none of his *chers* colleagues would follow him in taking a decision in Parliament, partly because he was reluctant to smash the party which he made (and which has now smashed itself), without giving it a chance."

⁵⁶ *Parliamentary Debates*, LXXIX, p. 8425

⁵⁷ It must be remembered that every regulation under the War Precautions Act was laid before Parliament, in the same way as were regulations under other acts, and any member of Parliament, in either House, could have moved for the disallowance of any regulation in the manner prescribed by statute.

CHAPTER X

POLITICAL METAMORPHOSES

THE referendum of 28th October, 1916, was immediately followed by political changes of great moment. At first these were made within the Labour party by the separation of those members who had supported the policy of the Hughes Government from those who opposed conscription. The Labour split was soon followed by metamorphoses of larger scope, by which the Hughes wing of the Labour party formed a junction with the Liberal party, and the combination emerged under the name of the Nationalist party. The result of these changes was to form a fresh grouping of forces, which was to dominate Australian politics for more than a decade of the post-war years.

Parliament met, for the first time after the referendum, on November 29th. For more than a fortnight prior to that date, the atmosphere had been electrically perturbed, with deep rolls of thunder reverberating from the room at Parliament House where the party caucus meetings were held, and vivid lightnings flashing round the heads of the leaders. Echoes of the storm penetrated to the troubled world. It became known that the great split was occurring, and that important destinies were at stake. For the three days before November 14th, the fateful day, the caucus seethed with tense argument. On that day two more ministers, Mr. Mahon and Mr. O'Malley, announced their resignations. Six members of the original Hughes Government had now gone from it, leaving only four to maintain the hypothesis that it was still a government—Senator Pearce, always cool and firm; Mr. Webster, Mr. Jensen; and the Prime Minister himself, unyielding—his head, like that of the modern poet, "bloody but unbowed." At last the decisive moment came when Mr. Finlayson,¹ the member for Brisbane, submitted without a word of comment the formal motion, "That the Prime Minister, Mr. Hughes, no longer possesses the confidence of the party as leader, and the office of chairman be and is

¹ W. F. Finlayson, Esq., M.H.R., 1910/19, M.L.C., Q'land, 1920/22. Of Heidelberg, Vic, and Brisbane, b. Kilsyth, Scotland, 12 Aug., 1867.

hereby declared vacant." Mr. Hannan,² the Victorian member for Fawkner, seconded the motion.

Senator O'Keefe,³ who, though he had taken part in the campaign as an anti-conscriptionist in Tasmania, still hoped to avoid a split, and was optimistic enough to believe that it was possible to do so, tried to gain delay by submitting as an amendment—"That all ministers who resigned be reinstated pending the holding of an interstate conference; that the party recommend each state executive to appoint six delegates to an interstate conference, to be held in Melbourne, within one month from date; that the party agrees to be bound by the majority of such conference on the question as to whether the then ministry shall continue in office, or hand their resignations to the caucus, which shall immediately elect a new ministry." Amidst the confusion, Mr. Charlton submitted a second amendment which was also, as he subsequently said, designed "to bring about a reconciliation." Both Senator O'Keefe and Mr. Charlton believed, after the event, that it was possible to avert a cleavage in the party. It is indeed probable that, if either amendment had been put, a majority of the caucus would have voted for it. Mr. Hughes believed that an amendment on the lines indicated would "most certainly" have been carried if he and his supporters had decided to vote for it.

But, though it was possible to outvote the expulsion motion for the time being, action on those lines would not have been decisive. The cleavage cut too deep to be healed by a temporary palliative. Mr. Finlayson had said, "We have come here with our minds made up," and that was the attitude of those who intended to vote for his motion. Mr. Hughes was thinking of the conduct of the war and the government of the country with a view of a vigorous prosecution of his policy. He perceived that a party division was unavoidable, and considered that there was no advantage to either section in postponing it. The curt proposing of the motion without argument, and the submission of temporising amendments,

² J. F. Hannan, Esq. M.H.R., 1913/17, M.L.A., Victoria, 1918/19; member of C'wealth Senate, 1924/25.

³ Hon. D. J. O'Keefe. Member of C'wealth Senate, 1901/6, 1910/20; M.H.R., 1922/25. Business manager; of Launceston, Tas.; b Longford, Tas., 21 Aug., 1864.

would achieve no real political purpose. The wrangle had exhausted itself, and the time for a decision had come.

There was, however, still curiosity as to what Mr. Hughes would do. Would he allow himself to be placed in the invidious position of putting a motion declaring his own deposition? He kept his own counsel and maintained a steady control of his nerves. At the decisive moment he rose from the chair, gathered his papers and said, "Let all who support me, follow me." Then he walked out of the room, followed by 23 of the 65 members of the party then present. A last cheer, derisive but astonished, greeted his dramatic action, a defiant glance was the only acknowledgment, and as the door banged after the exit of the ultimate of the 24, leaving behind a scene of confusion and air blue with tobacco smoke, William Morris Hughes ceased to be the leader of the party of which he had been, among its founders, the most brilliant, energetic, and masterful. At a later date Senator de Largie described the situation in a couple of sentences which convey a dynamic sense of what occurred: "We left the meeting before we were kicked out. The foot was raised to kick us, and we thought it was about time to move."

The conscription issue was the immediate occasion of the break between Mr. Hughes and the Labour party, but not the sole cause. The revolt from his leadership, as previously made plain in these pages, had commenced among the rank and file of the party outside Parliament months before there was any question of conscription. It originated in the deeper division between the many who were for, and the few who were against, the war; and it grew with the increase of antipathy to Mr. Hughes's determined methods for winning the war. It gathered volume with every step that was taken before the third quarter of 1916 to increase the adequacy of Australia's contribution to British strength in the war. There was revolt within the party outside Parliament, and this was bound to make itself felt more and more as the time approached when a general election was due, in 1917, because under the Labour system of organisation, every candidate was pledged to submit himself to a pre-selection ballot before his candidature received the

official endorsement of the party. Consequently there would be a tendency for members of the parliamentary party to be sensitive to the opinion prevailing among members of unions and political labour leagues, which were able to influence the pre-selection ballots. It is not possible to estimate how far the aversion to Mr. Hughes among the organisations outside Parliament would have been likely to dictate his discontinuance of the leadership of the party within Parliament; the numerical strength of the opposition to him cannot be measured from its vehemence as expressed in speeches and writings. But that it was powerful in New South Wales, Victoria, and Queensland is assured; it was much weaker in South Australia, Western Australia, and Tasmania. Mr. Hughes was well aware of the movement, and it did not accord with his temperament to quail before it. On the contrary, he hit out freely and forcibly, assailing his enemies with full blasts of that *perfervidum ingenium* in which Welsh polemic yields pride of place to none other. It was never his way to turn the other cheek to the smiter, and the heaviest smiters he had in these feverish months were within the Labour movement itself.

The conscription issue, therefore, brought to a focus dissatisfactions which were already existing in the Labour party, enlarged them, and gave the opportunity for ejecting the leader. It cannot be said that Mr. Hughes was indifferent to the unity of the party, nor could he be, since he was one of its creators, and it was the organised political force by which he had attained power. A political leader is responsible not only for the measures which he endeavours to carry into effect, but also for maintaining as far as he can the coherency of the party which has entrusted him with its leadership. Mr. Hughes was pre-eminently a party man. He had never throughout his political life been other than a Labour man. With pen and speech, as the organiser of an important trade union and the political mechanic who had a larger share than any other in constructing the system by which the Labour party managed its business, he was bound to the party by ties which might have been thought to be as vital to him as his own physical organs. He was bitterly and vehemently accused of betraying his party, and also of

having surrendered to the flatteries and compliments lavished upon him during his visit to Great Britain. It is not probable that, now that the passions of the period have cooled, either of these charges will be credited by any conscientious student of those times.

Indeed, no explanation of the policy inaugurated in September, 1916, is just which does not give due weight to four sets of facts: first that Mr. Hughes was most profoundly moved by what he saw of the struggle which Great Britain was maintaining, and the gallant part which Australian troops were taking in the war in Flanders; secondly, that he was convinced that upon the ultimate success of the Allies in the war probably depended the very existence of Australia as a free member of the British Commonwealth of Nations; thirdly, that he was satisfied that Australia could not raise the necessary reinforcements by voluntary means; and, fourthly, that it seemed to him, as to many others, probable that there was a substantial majority of the Australian people who desired that conscription should be enforced. It has already been shown that in respect to the third of these points the Commonwealth Government was not correctly advised as to the reinforcements that were necessary to maintain five divisions in the field, but that the war situation did justify the Government in doing more than this, if more were possible; and as to the fourth point, at least in the opinion of many competent observers, the indications in Australia in the third quarter of 1916 were that if conscription had been enacted by the Government it would have been accepted by the people with no more resistance than was experienced in Great Britain, Canada, New Zealand, and the United States. On the other hand, as we have seen, Andrew Fisher, a shrewd observer, was of the contrary opinion and doubtless many agreed with him.

Influenced by these considerations, Mr. Hughes had to consider whether it was not the wiser and more patriotic course to face the probable split in his party rather than risk the calamities which would have ensued to Australia from defeat in the war or from the repute of having failed to exert the full effort of which she was capable. It is further to be considered whether the alternative at the time

was, not merely, as it seemed, inadequate recruiting, but the ascendancy of an element, by then undoubtedly existing, which was unmistakably against Australia continuing to make any real effort in the war. For many generations to come his dilemma will be debated; whether he was right or wrong is a matter on which, probably, there will always be honest doubt. But at least this may be said, that he preferred to place what he conceived to be a great national interest before party welfare. And no doubt precisely the same may be claimed of the better men among his opponents.

As soon as Parliament met, Mr. Hughes announced that on November 14th he had tendered his resignation to the Governor-General, and requested him to issue a commission to form a new administration. His Excellency had accepted the advice, and the several portfolios had been allotted. The following constituted

The Second Hughes Government.

Mr. W. M. Hughes	.. Prime Minister and Attorney-General
Senator G. F. Pearce	.. Minister for Defence
Mr. J. A. Jensen	.. Minister for the Navy
Mr. W. Webster	.. Postmaster-General
Mr. A. Poynton ⁴	.. Treasurer
Mr. W. O. Archibald	.. Minister for Trade and Customs
Mr. F. W. Bamford ⁵	.. Minister for Home Affairs
Senator P. J. Lynch	.. Minister for Works and Railways
Mr. W. G. Spence	.. Vice-President of the Executive Council
Senator E. J. Russell and Mr. W. H. Laird Smith ⁶	Assistant Ministers.

⁴ Hon. A. Poynton, O.B.E. M.H.A., South Australia, 1893/1901; member of C'wealth House of Reps., 1901/23; Treasurer, 1916/17; Acting Minister for Navy, and Minister i/c Shipping and Shipbuilding, 1918/20; Minister for Home & Territories, 1920/21; Postmaster-General, 1921/23. Real estate agent; of Adelaide; b. Castlemaine, Vic., 8 Aug., 1853. Died 9 Jan., 1935.

⁵ Hon. F. W. Bamford. M.H.R., 1901/25; Minister for Home Affairs, 1916/17. Of Brisbane and Sydney; b. Dubbo, N.S.W., 11 Feb., 1849. Died 10 Sept., 1934.

⁶ Hon. W. H. Laird Smith. M.H.R., 1910/22. Minister for Navy, 1920/21. Electrician, of Burnie, Tas; b. Westbury, Tas., 15 Sept., 1869.

Messrs. Archibald and Spence thus re-entered the Government, solaced for their exclusion by the caucus from the reconstructed ministry of 1915, and Senator Russell chose to follow Mr. Hughes rather than the section which had revolted from his leadership. Mr. Poynton attained office for the first time. He was a South Australian Labour member, who had been an organiser for the Australian Workers' Union before he entered politics, and prior to that had been a shearer and miner. Mr. Bamford, a suave Queenslander, was one of the oldest Labour members in politics. Senator Lynch was placed in charge of the newly-created Department of Works and Railways. He had begun life as a ship's engineer.

Immediately after the Prime Minister announced the formation of his new Government, Mr. Tudor informed the House that he had been elected leader of the "Australian Labour Party." He was careful to give this name to the section which he led, to distinguish it from Mr. Hughes's section, which at this date styled itself the "National Labour Party."

The parliamentary situation at the conclusion of these events was that the new Government, consisting entirely of Labour members, held its position mainly by the support of Liberal members. Of 75 members in the House of Representatives, Mr. Hughes had 13 direct supporters, and in the Senate 11 in a House of 36. But the Liberals were dependable supporters of whatever measures might be proposed for furthering success in the war, and the Prime Minister had no cause for anxiety about the continuance of this support.

II

From the situation thus described there arose in 1917 the Nationalist party, consisting of a coalition of the Liberals and the National Labour party. As stated in the previous chapter, a National Referendum Council was formed in September, 1916, with branches in all the States, to organise the campaign in favour of conscription. After the referendum the council ceased to function. A revival of the demand for

conscription had not yet manifested itself. There was a general desire to see whether the required reinforcements could be obtained by voluntary enlistments. In Melbourne, however, the offices of the council and of the Victorian branch, at 275 Collins-street, were not yet abandoned, because accounts had to be paid, and some minor matters of detail required attention before the affairs of the council could be wound up. The executive at the conclusion of the campaign consisted of Mr. Watt, chairman; Mr. Gilbert,⁷ general secretary of the National Referendum Council; Mr. Hume-Cook,⁸ honorary secretary of the Victorian branch; and Mr. Macmeikan,⁹ accountant. Some of those who had taken a leading part in the referendum campaign, notably Sir William Irvine and Mr. Plain,¹⁰ also visited the offices occasionally, to advise or discuss the political situation and the war.

As the result of these conversations it was determined to try to form what the promoters called a "Win-the-War Party." It was considered that the position of the Hughes Government, whose direct supporters were a minority, was essentially unsound, and that the needs of the time demanded the formation of a party comprising all who were convinced that the war was the one and only matter of paramount importance. In reality there were now not three parties in Federal politics but two, and those who took part in these informal discussions believed that the situation would be clarified if steps were taken to unite the supporters of the Government under one banner. The suggestion that there should be such a party cannot be attributed to any particular individual; it emerged as a general conclusion.

Some others, both inside the Federal Parliament and without, were made acquainted with the proposal, and it was agreed to call a meeting of those interested. The meeting took place at the rooms of the National Referendum Council

⁷ D. J. Gilbert, Esq. Secretary, Repatriation Board, 1916/18; Comptroller, Dept. of Repatriation, 1918/21; General Manager, *News Ltd.*, Adelaide, 1922/31; Managing Director, *Daily News*, Perth, 1931/32. Journalist, b. Parramatta, N.S.W., 18 Dec., 1876.

⁸ Hon. J. Hume-Cook. M.L.A., Victoria, 1894/1900; member of C'wealth House of Reps., 1901/10. Of Melbourne; b. Auckland, N.Z., 23 Sept., 1866.

⁹ J. Macmeikan, Esq. Accountant and secretary; of Toorak, Vic.; b. Hotham, Vic., 16 June, 1858.

¹⁰ Hon. W. Plain. M.L.A., Victoria, 1908/17; member of C'wealth Senate, 1917/22, and since 1925. Farmer; b. Peebles-shire, Scotland, 11 March, 1869.

on the afternoon of Wednesday, November 15th. Mr. Watt was voted to the chair. There were also present Sir William Irvine, Mr. Groom, Mr. Plain, Mr. Hume-Cook, Mr. Airey¹¹ (Queensland), Mr. Macmeikan, and Mr. Gilbert. After a general discussion, which made it clear that those present were agreed that some new organisation was necessary, the following resolution, moved by Mr. Plain and seconded by Mr. Airey, was carried: "That representatives from all the State Referendum Councils be invited to meet either in Sydney or Melbourne to consider the creation of a new national organisation to conserve Australian war and national interests. The Prime Minister and the Leader of the Opposition, Mr. Joseph Cook, to be advised of the proposed action, and consulted as to the meeting place."

It was next agreed that a platform and constitution for the proposed new party should be prepared; Mr. Hume-Cook, with the concurrence of Mr. Watt, agreed to work out a draft, and submit it for the criticism of a few leaders whose advice would be valuable. Mr. Wise,¹² and Sir William Irvine also took part in the preparation of the platform. Ultimately it was agreed that for immediate purposes, it was not necessary to insist upon more than three points, namely,

1. To win the war.
2. To preserve Australian national life.
3. To maintain Empire solidarity.

But it was considered desirable that the party should also have regard to broader national questions which were likely to affect the Commonwealth at the conclusion of the war. For that purpose it was determined to lay stress upon the following points:

1. Australian protection.
2. Empire reciprocity.
3. Control of the Southern Pacific
4. Racial unity (White Australia).

¹¹ P. Airey, Esq. M.L.A., Q'land, 1901/9. Farmer and journalist, of Birkdale, Q'land, b. Barrow-in-Furness, Eng., 9 Jan., 1865

¹² Hon. G. H. Wise. M.H.R., 1906/13, 1914/22; Asst. Minister for Defence, 1918/19; Postmaster-General, 1920/21. Solicitor; of Sale, Vic.; b. Melbourne, 1 July, 1852.

5. Repatriation.
6. Financial and industrial reorganisation.
7. Larger powers for the Federal Parliament and constructive alterations to the State constitutions.

It was also agreed to summon a conference of representatives of federal electorates in all the States to consider the formation of the new organisation.

Up to this point Mr. Hughes had not been brought into formal parleying, though fully apprised of what had been done. It was left to the discretion of Mr. Hume-Cook to obtain an interview with him and ascertain his disposition towards the movement.¹³

At the first interview Mr. Hughes was shown a copy of the memorandum summarised above, setting forth the basis of the proposed party. He read it through carefully, and commented: "With a good deal of what you have put forward, I quite agree; but I do not favour the suggestion that my party should join with the Liberals. As a matter of fact, I propose to form a new Labour party, a National Labour Party." There was much to encourage the hope that he could succeed in that object. In Western Australia some of the most powerful unions, following the lead of Senators Pearce and Lynch, declared for the formation of a new National Labour party. In South Australia several unions refused to endorse the expulsion of the Federal Labour members who had supported conscription. In New South Wales and Victoria there were minorities, with able spokesmen, who considered that the national emergency justified the action taken by Mr. Hughes.

In answer to this suggestion, the difficulty of maintaining a second Labour party was stressed. It was submitted that the machinery of the Labour movement was in the hands of Mr. Hughes's political enemies. They controlled all the trades halls, most of the trades unions were under their direction, they possessed funds for political purposes, they

¹³ Mr. Hume-Cook, who was a member of the second Deakin ministry, 1908, kept full notes of his interviews with Mr. Hughes and Mr. Watt during the progress of the negotiations. It was his habit after every interview to write down an account of what was said and done. These notes Mr. Hume-Cook was good enough to read in full to the author, and, as they form an authoritative history of what occurred in relation to the formation of the Nationalist party, this narrative has been founded largely upon them.

directed the entire Labour organisation. The strength of the Labour party lay in its connection with the unions. Mr. Hughes's contemplated party could not hope to obtain much succour from these sources. On the other hand, by forming a junction with the Liberals, he would command a united party which was determined to do its best for the Empire's cause.

Still, Mr. Hughes was not convinced. At an interview two days later, he said: "I have thought a good deal about the proposed new political organisation, but I see no reason to change my mind. I shall be surer of, and happier with, a National Labour Party. I do not like combinations. They are too liable to fall apart owing to internal dissension." But he expressed a wish to have further discussion upon the subject; and his tone, rather than his words, gave the impression that he was not so firmly set against a union of forces as he had at first been.

Parliament continued to sit till December 20th, during which time the Government was continuously supported in all critical divisions by the Liberals. In the meantime conversations had taken place with Mr. Joseph Cook, who gave a general approval to the negotiations with Mr. Hughes, and with various other influential persons. There were many difficulties to overcome. The formation of a united party would mean a reconstruction of the Cabinet, with the probable displacement of some ministers who had been faithful to the Prime Minister. Mr. Hughes was probably more troubled by the apparent necessity of sacrificing his friends than by the prospect of coalescing with his former foes. But in the middle of December fresh influences were brought to bear.

A conference of State Premiers with the Federal Government took place at that time, and the presence of these leaders, all of whom, with the possible exception of Mr. Ryan, the Premier of Queensland, were keen "win-the-war" men, gave an opportunity for taking them into consultation. Sir Alexander Peacock, the Premier of Victoria, was informed

of the steps so far taken to form a broad national party, and of Mr. Hughes's shyness and his preference for his own idea of a National Labour Party. In respect to length and continuity of active political experience, Peacock was well in advance of almost every other politician in Australia in that generation.¹⁴ He had begun his ministerial career in the Victorian ministry of Mr. Munro in 1890, and was himself Premier in 1901, besides having been a member of the Convention which framed the Commonwealth Constitution. With his quickness to perceive the import of a political move, he at once and enthusiastically accepted the proposal, and undertook to sound the other State Premiers. It was not intended to present the proposition again to Mr. Hughes as one which had support from every State in Australia until so much was assured. But Mr. Hughes was habitually well informed; there was very little in the way of a political move of which he was not aware; and he heard of this one very soon after it was mooted.

On December 12th, when Mr. Hughes was taking part in the Premiers' Conference, he was assured by several Premiers that their States were enthusiastically in favour of a strong "win-the-war" policy, and that in their opinion the political situation called for a union of forces. Mr. Hughes listened, but did not think it necessary to make a speech. "Well," he said, from his place at the head of the conference table, "we all seem to be agreed, so there is no use wasting time. I know what is proposed. I have discussed it all with Hume-Cook, and have a shrewd idea of those who are acting with him. To-morrow morning we shall probably be able to get things going." The Prime Minister's acceptance of the project for forming a new party set all doubts at rest and made the coalition sure.

Events now moved rapidly. On the 6th of January, 1917, Mr. Hughes sent out a circular letter inviting probable

¹⁴ Dr. W. Maloney, still a member of the Federal Parliament, entered the Victorian Parliament in 1889 on the same day as Peacock.

supporters of the contemplated new party to meet him. The letter read as follows :

The Prime Minister's Office,
Melbourne,

6th January, 1917.

Confidential.

Dear Sir,

At the suggestion of many well wishers of the National Cause, and in response to the requests of hundreds of individual correspondents. I have pleasure in inviting you to attend a meeting to be held in the Melbourne Town Hall (Old Council Chamber) on Tuesday evening next, the 9th inst, at 7 o'clock, to consider the steps to be taken to demonstrate Australia's inflexible resolve to prosecute the war to a successful issue, to preserve and develop our National life, and to maintain the solidarity of the Empire.

The gathering will comprise men and women from all parts of Victoria and the sister States, who are animated by the desire of subordinating party political considerations to the principles enumerated above.

The enclosed card will admit you to the meeting

Yours faithfully,

W. M. HUGHES

It should be observed that the three objects mentioned in the first paragraph of the letter were copied from the draft of main principles set forth in the platform of the projected party before Mr. Hughes was approached. He had, in fact, adopted the platform already prepared by Sir William Irvine, Mr Watt, Mr. Hume-Cook, and Mr. Wise. The circular letter was sent to about 300 persons, the names being taken from lists prepared by Mr. Hughes himself, Mr Watt, Mr. J. C. Watson, and Mr. Hume-Cook.

All the States were represented at the meeting held on January 9th, those present including Mr. J. C. Watson, Mr Robert Harris,¹⁵ Mr. John Leitch,¹⁶ and Mr. G. W. Daniel¹⁷ (New South Wales); Sir Alexander Peacock, Mr. W. Plam and Lieutenant-Colonel W. K. Bolton¹⁸ (Victoria); Mr

¹⁵ R. Harris, Esq. Boot manufacturer, of Ashfield, N S.W.; b Wollongong, N S.W., 1857.

¹⁶ J. Leitch, Esq., O B.E. Builder, of Redfern, N S.W., b. Hobart, 19 Dec 1861. Died 7 May, 1927.

¹⁷ G. W. Daniel, Esq. Auctioneer, of Albury, N S.W.; b. Jerilderie, N.S.W. 22 March, 1881.

¹⁸ Brig.-Gen. W. K. Bolton, C B E, V D. Commanded 8th Bn, A I.F., 1914-15. Federal President, Returned Sailors' & Soldiers' Imperial League of Aust, 1916/19; member of C'wealth Senate, 1917/23. Public servant, of Ballarat, Vic; b Lostock Graelem, Cheshire, Eng, 2 Nov. 1861.

Crawford Vaughan,¹⁹ Premier of South Australia; Mr. John Adamson,²⁰ Mr. Peter Airey, and Mr. Matthew Reid²¹ (Queensland); and Mr. W. H. Lee,²² Premier of Tasmania, and Mr. John Earle, of that State. The resolutions passed were—

1.—That this meeting is of opinion that the time has arrived when party issues should be subordinated to the winning of the war, the preservation and development of Australian national life, and the maintenance of empire solidarity; and further that the Commonwealth Parliament and Government should faithfully reflect the determination of the nation in these directions.

2.—That in the opinion of this meeting the Nationalists of Australia should at once form themselves into organised bodies, with a view to influencing public opinion in the direction indicated by the previous resolution, and with the additional object of supporting in politics those men and parties who during the war are prepared to make the national issues paramount.

3.—That this meeting resolve itself into committee for the purpose of nominating a provisional interstate executive, whose duty it shall be to prepare a provisional platform and constitution, and to provide for its inauguration throughout the Commonwealth.

The National Federation was formed to give effect to these objects, and this organisation, which established branches throughout the country, was the corporate embodiment of the new Nationalist party. The formation of the party was hailed with enthusiasm. The non-Labour press was substantially unanimous in pronouncing that the right thing had been done. Unusually large branches were formed in country towns as well as in the metropolitan cities. Thus, at Geelong the applications for membership were so numerous that the secretaries at the initial meeting were unable to enrol all the applicants. The 9th of January, 1917, was thus the birthday of the party which was to control Australian politics for the ensuing twelve years.

¹⁹ Hon. Crawford Vaughan. M.H.A., South Aust., 1905/18; Premier, 1915/17 Journalist, of Adelaide; b. Adelaide, 14 July, 1874.

²⁰ J. Adamson, Esq., C.B.E. M.L.A., Q'land, 1907/9, 1911/17; member of C'wealth Senate, 1919/22. Methodist minister, 1884/1907. Of Hendra, Q'land; b. Tudhoe, Durham, Eng., 18 Feb., 1857. Died, 2 May, 1922.

²¹ M. Reid, Esq. M.L.A., Q'land, 1893/6, 1899/1902; member of C'wealth Senate, 1917/35. Tailor and mercer; of Brisbane, b. Dalmellington, Ayrshire, Scotland, 30 Sept., 1856.

²² Hon. Sir Walter Lee, K.C.M.G. M.H.A., Tasmania, since 1909; Premier. 1916/22, 1923, 1934. B. Longford, Tas., 27 April, 1874.

III

The first resolution passed at the inauguration of the Nationalist party, quoted above, expressed the opinion that "the Commonwealth Parliament and Government should faithfully reflect the determination of the nation." Mr. Hughes, who had approved of the text of the resolution before it was proposed, accepted it as carrying the consequence that the Government should be reconstructed so as to represent both sides of the united party which now, under his leadership, commanded a majority in the House of Representatives. He proceeded at once to negotiate with the Leader of the Opposition, with the result that on February 17th he announced the composition of the

Third Hughes (First Nationalist) Ministry.

Prime Minister and Attorney-General	Mr. W. M. Hughes
Minister for the Navy	Mr. Joseph Cook
Treasurer	Sir John Forrest
Minister for Defence	Senator G. F. Pearce
Vice-President of the Executive Council	Senator E. D. Millen
Minister for Works and Railways ..	Mr. W. A. Watt
Minister for Home and Territories ..	Mr. P. McMahon
	Glynn
Minister for Trade and Customs ..	Mr. J. A. Jensen
Postmaster-General	Mr. W. Webster
Honorary Ministers	Mr. L. E. Groom and
	Senator E. J. Russell

Six Ministers of the second Hughes administration were dropped in this re-allotment of portfolios, namely, Messrs Poynton, Archibald, Bamford, Lynch, Spence, and Laird Smith; to make room for Sir John Forrest, and Messrs Cook, Millen, Glynn, Watt, and Groom. The allotment of six seats in the Cabinet to the former Liberal party as compared with five to the Hughes wing of the Labour party, indicated something more than an adjustment of the proportions of the two parts of the new Nationalist party in Parliament; it was a recognition of the fact that, throughout the country, the Labour section of the new party was also

inferior in strength to the section which was led in the Senate by Senator Millen and in the House of Representatives by Mr. Joseph Cook.

Mr. Hughes stated that he would have preferred to form a new administration which, ignoring all party differences, should have been thoroughly representative of a Parliament elected "as a war Parliament." He had made overtures with a view of enabling this to be accomplished. "Why," he asked, "did not the official Labour party accept the invitation to join hands with us and with the Liberals, to form a National Government, in which all parties should be represented, so that the full force of the nation should be behind its war policy?"²⁴ They could not, he said, deny that they were pledged by the manifesto of the Labour party in 1914 to put aside mere party interests in this hour of peril. Why, then, did they hold aloof? "The reason is obvious on the face of things," Mr. Hughes contended. "The official Labour party is no longer master of its own actions. It is a mere pawn in the hands of outside bodies. It does what it is told to do. If a member dares to murmur, to speak as he thinks, . . . he lives with the sword of excommunication suspended over his head." He accepted the verdict of the people at the referendum as meaning that they did not believe in conscription—nothing more. It did not mean that Australia was not as resolute as ever in her determination to fight "with every ounce of energy she can gather alongside Britain and her Allies until decisive victory brings the world that lasting peace for which it yearns." The attitude of the new Government in regard to conscription was, he said, clear and definite. It intended to respect the verdict of the people. "It is, of course, impossible to see or say what the future may have in store, but it is clear that the electors of Australia alone can reverse their previous decision."

The parliamentary situation was embarrassing for the new Government, because, although it was supported by an ample majority in the House of Representatives, it would be in a minority of four, in the event of a full division, in the Senate. The "official" Labour majority in that House

²⁴ *Parliamentary Debates*, LXXXI, 10571. Correspondence between Mr. Hughes, Mr. Tudor, and Mr. Cook as to the proposal to form a "War Government" consisting of representatives of the three parties was quoted in the *House of Representatives Debates* LXXXI, 11,005.

could carry a motion or an amendment to a bill, against the wish of the Government, whenever it chose to do so; and although this power was used with discreet moderation, the fact that it existed was an uncomfortable circumstance, especially in view of a new policy which Mr. Hughes desired to introduce. The power was in fact used for the disallowance of a proposed new regulation under the War Precautions Act, which would have made it an offence for any person to publish figures as to the voting at the referendum of members of the military forces on service. Senator Gardiner, the leader of the official Labour party in the Senate, moved the disallowance of the regulation, and, on a party division, his motion was carried by 17 votes to 16.²⁴

It was natural that the Government and its supporters should desire to obtain relief from this situation, if events occurred which afforded an opportunity of doing so; and movements in that direction gave rise to incidents, and suspicions based upon what occurred, which, in the excited atmosphere of the time, were magnified and distorted to fabulous dimensions and shapes. The first incident arose out of the resignation of Senator Ready. A young politician, he had entered Parliament for the first time in 1910. He had acted as chairman of the Recruiting Committee in Tasmania, though he had been an opponent of conscription, and was, after the split in the Labour party, the whip of the official part of it in the Senate. He was in ill-health, and was much troubled by a certain amount of adverse criticism directed against him in his own State, especially by returned soldiers, who, because he had thrown in his lot with the opponents of Mr. Hughes, resented his retention of the chairmanship of the Recruiting Committee. These circumstances, combined with nervous strain, brought about a breakdown. On Tuesday, February 27th, he collapsed in a fainting fit at Parliament House. After his partial recovery he said to a colleague that he was "sick of politics," and on Thursday, March 1st, he resigned his seat. The resignation was communicated to the Senate by the President on the

²⁴ *Parliamentary Debates*, LXXXI, 10494. The prohibition of such publication was—as appears from records now available—actually asked for, through Mr. Mudoch, by G.H.Q. in France, which considered that the publication of a partly unfavourable vote by the soldiers would do as much damage as a serious military defeat.

evening of that day in the curiously precise terms: "At one minute past six o'clock I received a communication from Senator Ready resigning his position as a senator for the State of Tasmania."²⁵

The section of the constitution dealing with the filling of a vacancy in the Senate provides that if the vacancy occurs while the State Parliament is not in session, an appointment shall be made by the State Governor-in-Council. The Parliament of Tasmania was not in session at the time of the resignation of Senator Ready. The Premier of the State, Mr. W. H. Lee, had been in Melbourne for a few days prior to that event; and Mr. John Earle, a former Premier of Tasmania, and at that time a member of the House of Assembly, had been there also. Mr. Lee returned to Tasmania before Senator Ready's resignation was handed to the President on March 1st, but was aware when he left Melbourne that the resignation was impending, and that Mr. Earle was willing to be appointed.

Between the resignation of Senator Ready at "one minute past six o'clock," and 10 o'clock the same evening, a number of strange things happened in rapid succession. Mr. Earle attended at Government House, Melbourne, and, in the presence of the Governor-General, wrote out and signed his resignation as a member of the Tasmanian House of Assembly. The Governor of Tasmania, Sir William Ellison-Macartney,²⁶ received a message from Mr. Lee, requesting him to summon a meeting of the Executive Council immediately at Government House, Hobart. That meeting was held at 9.15, the Council consisting of the Premier, the Treasurer (Sir Elliott Lewis²⁷), the Attorney-General (Mr. Propsting²⁸), and the Minister of Lands (Mr. Hayes²⁹), the Governor presiding. The Premier stated that a vacancy in the representation of

²⁵ *Parliamentary Debates*, LXXXI, 10786, see also Senator Keating's account of Senator Ready's illness, *Ibid.*, 10961, and Senator Bakhap's interpretation of Senator Ready's state of mind, *Ibid.*, 10927.

²⁶ Rt. Hon. Sir William Ellison-Macartney, K.C.M.G. Governor of Tasmania, 1913/17, of Western Australia, 1917/20. B. Dublin, 7 June, 1852. Died 4 Dec., 1924.

²⁷ Hon. Sir Elliott Lewis, K.C.M.G. M.H.A., Tasmania, 1886/1903, 1909/22: Premier, 1899/1903, 1909/12, Chancellor of University of Tasmania, 1924/33. Barrister-at-law; of Hobart; b. Hobart, 27 Oct., 1858. Died 22 Sept., 1935.

²⁸ Hon. W. B. Propsting, C.M.G. M.H.A., Tasmania, 1899/1905, M.L.C., since 1905; Premier, 1903/4. Barrister-at-law, of Hobart; b. Hobart, 4 June, 1861. Died 3 Dec., 1937.

²⁹ Hon. J. B. Hayes, C.M.G. M.H.A., Tasmania, 1913/23; Premier, 1922/23: member of C'wealth Senate, since 1923. Farmer; of Scottsdale, Tas; b. Bridgewater, Tas., 21 April, 1868.

Tasmania in the Senate having occurred, the Executive Council advised the appointment of a senator in place of Senator Ready, in accordance with the terms of the constitution. The Governor raised an objection. He had a doubt as to whether the telegrams which he had received, first from the President of the Senate with reference to the resignation of Senator Ready, and secondly as to the resignation by Mr. Earle of his membership of the State Parliament, were sufficient. The Attorney-General, however, formally advised that the Governor-General's notification by telegraph that the resignation of Mr. Earle had been signed in his presence, and the telegraphic notification by the President of the Senate that Senator Ready had resigned, were statutory notifications, and were sufficient. The Governor thereupon accepted the advice. The Executive Council then advised the appointment of Mr. Earle to the vacancy. The advice was accepted, and Mr. Earle was appointed. That same night the Governor of Tasmania telegraphed to the Governor-General that:

The House of Parliament of the State of Tasmania not being in session, I, with the advice of my Executive Council, have appointed the Honourable John Earle to hold the place of Senator Ready, resigned, as provided in section 15 of the Commonwealth of Australia Constitution Act.

When the Senate met at 11 a.m., on Friday, March 2nd, Senator Earle took his seat. "It was greased lightning!" a senator interjected; and it certainly was a rapid piece of work. So swift, indeed, were the proceedings, that when in the following September it was desired to lay on the table of the Tasmanian House of Assembly the papers relating to the transaction, it was found, to everybody's surprise, that no record had been kept of what occurred! In the meantime Sir William Ellison-Macartney's term as Governor had expired, and he had been succeeded by Sir Francis Newdegate,³⁰ who, in order that the State Parliament might be placed in possession of the information desired, had to telegraph to Melbourne for copies of the essential documents. "There seems to be no record in this office," he telegraphed, "of the resignation of Senator Ready and the appointment

³⁰ Sir Francis Newdegate, G.C.M.G. Governor of Tasmania, 1917/20, of Western Australia, 1920/24. Of Nuncaton and Harefield Grove, Eng., b. Chelsea, Eng., 31 Dec., 1862. Died Jan. 1936.

of Senator Earle!" The original documents are, in fact, on the Governor-General's official files at Canberra.³¹

Senator Ready's own explanation of these strange occurrences stressed two points—his ill-health and his difference from the remainder of the official Labour party in their attitude towards the proposal to extend the life of the existing Federal Parliament, which was then under consideration. As to his health, he stated that the fainting fit which had overcome him at Parliament House was not the first seizure of the kind. He had found the stress of parliamentary life too much for him. His medical adviser had ordered him to avoid any excitement or nervous irritation and to take a rest from political affairs. He might have retained the seat till the general election, but as his party did not favour the prolongation of the life of the existing Parliament he did not feel inclined to remain a senator. If he had voted with his party, and thereby brought about a Senate election, he would, by retiring then, as he felt that he would have had to do, have escaped the responsibility for his vote. "The only honorable course," he concluded, "was to resign at once and not hang on to his seat till the very last moment. He felt keenly his severance from his old political friends and associates, but he had his family and his future to consider."³² Mr. Ready, therefore, now slipped out of the political picture, except to the extent that his name figured prominently in the discussions of the ensuing weeks; and in due course Tasmanian newspapers described how a wan and stricken figure was helped off the steamer at Launceston when he returned to seek repose in domestic quietude.

At the same time as this affair was raising the dust in a thick cloud of suspicion and innuendo, two other Tasmanian senators, Messrs. Long and Guy,³³ also failed the official Labour party which depended on them for the maintenance of its majority in the Senate. Senator Long, a man of robust appearance, became unwell, and went off on a voyage

³¹ The correspondence was "laid on the table" of the Tasmanian House of Assembly, but not ordered to be printed, on 11 Oct., 1917.

³² *The Age*, March 2.

³³ J. Guy, Esq. M.H.A., Tasmania, 1909/13; member of C'wealth Senate, 1914/19. Secretary; of Launceston, Tas., b. Launceston, 13 Nov., 1860. Died 23 Aug., 1921.

to Java to recuperate.³⁴ Senator Guy became ill in Tasmania, and on March 2nd his party's whip received a telegram stating that it was "absolutely impossible" for him to leave the hospital where he then was. There was, thus, not quite an epidemic among Tasmanian senators, but a breakdown in the health of three of them, which was sufficient, with the coming of Senator Earle in place of Senator Ready, to give the Government a majority of one, if the President exercised both his deliberative and his casting vote, as he was entitled to do. On bare figures, the state of parties stood at 17 on either side, assuming that Senator Long's voyage to the East and Senator Guy's illness lasted long enough to enable the Ministry to weather the storms of the session, and that all Government supporters were present and faithful in every division.

But the position of the Government in the Senate still depended upon a very thin thread, which did not, in fact, prove dependable. There was very strong feeling in Tasmania concerning the manner in which the representation of the State had been, as was said, "juggled with." The Hobart *Mercury*, though a strong and consistent Nationalist supporter, made several protests in remarkably vigorous and dignified terms. Mr. Lee was blamed for having allowed himself to be manipulated by a "talented conjurer," in the person of the Prime Minister, but, it was urged, "admiration of the cleverness with which the trick is performed does not necessarily imply approval of the trick itself or love of the trickster." Mr. Lee denied that he knew anything about the Ready-Earle shuffle until he reached Melbourne on business relating to the hop crops of Tasmania. His explanation to that extent was accepted by *The Mercury* critic, as true in every detail, but accepted reluctantly, "because it makes him and his ministry and the State of Tasmania look so extremely foolish." The result of the Tasmanian feeling on the subject was revealed when two other senators, Messrs. Keating³⁵ and

³⁴ Senator Long gave an explanation of his absence, in the Senate, on his return to Australia (*Cf Parliamentary Debates, LXXXII, 1249-1252*). It was made in the form of a reply to an article in *The Age* published under the headings, "Senator Long's Disappearance; The Mystery Unveiled." He stated that he left on a visit to the Dutch East Indies in consequence of ill-health, that there was no talk of a coalition before he left Australia, and that his political friends and his colleagues in the Senate were aware of his intention to take a sea voyage.

³⁵ Hon. J. H. Keating. Member of C'wealth Senate, 1901/23; Minister for Home Affairs, 1907/8. Barrister-at-law, of Melbourne, b Hobart, 28 June, 1872. Died 31 Oct., 1940.

Bakhap, refused to follow the lead of the Government in regard to their proposal to prolong the existence of Parliament. Thus the slender majority which had been acquired by the remarkably coincident illness of three Tasmanian senators, was swept away by the refusal of two others, who happened to be in perfect health, to lend their countenance to what had occurred. Tasmania, not for the first time in the history of Commonwealth politics, became the pivot upon which the Government rotated.

IV

While Senator Ready's case was a fresh subject of parliamentary excitement, Senator Watson⁸⁶ made allegations which involved the charge that attempts had been made to bribe him to desert the official Labour party and support the Government. Senator Watson's stronghold was the coal-mining district of Newcastle, where he had himself been a working miner. He admitted that he would not have made the statements, but would have regarded what he alleged to have occurred as "purely confidential and of a private nature," had it not been that what was revealed in Ready's case awakened a suspicion in his mind "that an act of political treachery has been perpetrated for the purpose of allowing the present government to continue in office and to defeat the people in their determination to prevent the conscription of manhood for compulsory military service abroad."

Senator Watson alleged that he was in the first instance approached by the President of the Senate, Senator Givens,⁸⁷ who had advised him that it was hopeless for him to expect to be returned at the next election as a colleague of the other candidates who had been nominated for his party in that State, and had then said to him: "I do not want to influence you by asking you to vote for the Government, but I think, in your own interests, you would be well advised to vote for an extension of the life of Parliament." Senator Watson had replied that he would vote with his party; and at a later

⁸⁶ D. Watson, Esq. Member of C'wealth Senate, 1914/17. Of Newcastle, N S W.; b. 1870. Died 4 Dec., 1924.

⁸⁷ T. Givens, Esq. M.L.A., Q'land, 1899/1902; member of C'wealth Senate, 1903/28, President of Senate, 1913/26. Journalist; b. Annacarty, Tipperary, Ireland, 12 June, 1864. Died 19 June, 1928.

interview had repeated that "sink or swim, I will go with my mates, and you must know that if I were to act derogatively to the party's interests I would deserve to be kicked out of the district of Newcastle." Senator Givens, on the other hand, said that Senator Watson's story of the conversation with him was neither complete nor accurate. In any case there is nothing unfolded even by that story that could be construed as more than an exchange of views which were not unlawful even if not edifying, and an endeavour to gain a vote for a proposal which was then before Parliament. No advantage was promised or hinted at which, viewed in an impartial spirit, could be stigmatised as improper.

Senator Watson also related that he had an interview with Mr. Hughes, who asked him what stood in the way of his coming over to the party supporting the new Government.

I replied, "The Labour movement." He said, "Why more you than myself, Chris Watson, George Pearce, and others who are equally attached to the Labour movement?" I said I could not discriminate in that way, as it was within their rights to act as they thought fit. They had been resting for many years in the lap of the Labour movement, and had seen many years of public service; whilst I stood at the threshold of my public career. He asked me did money stand in my way, as I would lose nothing by coming over to them, and stated that he had never deserted any man who had stood to him. I replied that I had too much regard for the movement to act in any way in opposition to its interests or betray its confidence. I said, "What would the men of Newcastle think of me were I to do anything contrary to the wishes of the party to which I belong?" He said, "If you don't like to live in Newcastle, we can find you another place." . . . I replied, "Oh, I could not think of that." He then suggested that I should resign my seat and allow the vacancy to be filled, promising that a position would be found for me. I stated that I could not think of deserting the movement, and leave my mates in such a crisis, as I had always tried to act straightforwardly, and be able to look my associates in the face.³⁸

Mr. Hughes did not deny that he had tried to persuade the senator to vote for the Government; "several attempts have been made," he said, "to persuade Senator Watson to vote the way in which his conscience and his convictions would lead him." He had been told "from a dozen sources what Senator Watson wished to do." Mr. Hughes emphatically denied that Senator Watson was approached in any other way than by an appeal to his conscience and convictions.³⁹

³⁸ *Parliamentary Debates*, Vol. LXXXI, 10848.

³⁹ See Mr Hughes's account of the interview, *Ibid*, 10890

The sole point at issue between the two parties on this matter was whether any consideration had been offered to Senator Watson to induce him to support the Government. There is no other evidence than his own statement of his interviews with Senator Givens and Mr. Hughes, and the Prime Minister's categorical denial that he did more than he was entitled to do, in persuading a member of Parliament whose real state of mind he declared that he knew, to vote accordingly. Senator Watson made another statement to a meeting of the parliamentary party, substantially the same as that which he made to the Senate.⁴⁰

Senator Pearce also related that he had several interviews with Senator Watson, who in each instance came to see him about defence matters, and remained to talk over the question of his parliamentary attitude towards the Government and the Opposition. "I formed the opinion that Senator Watson wanted to come with us," said Senator Pearce, and added that it was for this reason that he himself had arranged the interview between the senator and the Prime Minister.

With a view of settling differences of inference from the alleged facts both in the Ready case and that of Senator Watson, Senator Gardiner moved that a Royal Commission should be appointed to investigate, and that a Justice of the High Court should be commissioned to conduct the enquiry. The motion was carried by 18 votes to 15, the Government being placed in a minority because Senators Bakhap and Keating voted for the motion. In the House of Representatives, where Mr. Tudor also proposed that there should be a Royal Commission, the motion was defeated by 35 votes to 18. The Government did not accept the vote of the Senate as mandatory, and no commission was appointed.

The cases just considered increased the bitterness already pervading Australian politics, and they led to hints and innuendoes of corruption being launched. But no definite charge of the kind was made, and, on the facts available, it does not appear to be probable that any charge could have been proved. The situation really arose out of the fact that even after the revolt of the majority of the Parliamentary Labour Party from Mr. Hughes's leadership, there still

⁴⁰ The statement to the party was taken down by Mr. J. H. Catts, and read to the House of Representatives. See *Ibid.*, 10900.



ACQUITTED WITHOUT A STAIN.
The Court's decision leaves it to the jury for a final consideration.

30. CARTOON (BY DAVID LOW) FROM THE SYDNEY Bulletin, 15TH MARCH, 1917

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remained a fringe in the "official" party of doubtful dependability. "There are in the official Labour party to-day," said Mr. Hughes on March 2nd, "men who, since I left the chamber upstairs, have come to me and said, 'why did you not tell us that you were going to leave the chamber, and we would have gone with you!'" This challenge was at once taken up. He was asked to name the members to whom he alluded. Mr. Hughes declined to mention their names, "But," he said, "I shall invite them to answer me. Let each one of the official party opposite stand up and say that it is a lie." Then occurred a strange scene when the opposition in the House of Representatives twice rose in a body. "I can only say," observed Mr. Hughes at the second rising, "that amongst those who have now risen there is one who ought to have remained in his seat," and he insisted that his statement did not depend upon his word only, but that there were others who knew it to be true.

In the House of Representatives the variability of the fringe did not signify much, because the new Government had a substantial majority there; but in the Senate, where there was so very narrow a margin, and votes were important, a member of the official Labour party who was known to be in a hesitating frame of mind, naturally afforded a temptation for political anglers to fish the pool with their best skill and their neatest flies. But corruption was neither proved nor probable.

V

At the beginning of the war, as related in a previous chapter, Mr. Hughes advocated the revocation of the dissolution of Parliament and the postponement of the general election then pending, holding that all matters of party politics should be set aside until the vital issues created by the war had been settled by victory. Now that he was Prime Minister he held the same conviction. The House of Representatives elected in 1914 would, under the constitution (section 28), expire in 1917. Consistently with his contention three years previously, Mr. Hughes in February of the latter year brought before Parliament proposals for prolonging the existence of the House then in being. He proceeded by first

submitting a motion, which affirmed that by reason of the existence of a state of war, and of the immediate meeting of an Imperial Conference, it was "imperatively necessary that the forthcoming elections should be postponed." Inasmuch as this object could only be effected by an Act of the Imperial Parliament, the House of Representatives was invited to request the Imperial Government to provide legislation "for the extension of the duration of the present House of Representatives until the expiration of six months after the final declaration of peace, or until the 8th day of October, 1918, whichever is the shorter period." Senate elections were also to be postponed until such time as would enable them to take place at the same time as the next election for the House of Representatives.

The reasons given by Mr. Hughes for submitting this proposition were the following. First, he believed that the holding of a general election at that time would still further disrupt "a people already sufficiently torn into factions by recent happenings," and would close the door upon all hope of that united and whole-hearted effort which was essential. Secondly, he stated, general elections had been postponed in Great Britain and Canada. Thirdly, the imminence of the Imperial Conference and the nature of the questions to be discussed thereat, made it desirable that Australia should be represented in London. It was assumed that there could not be effective representation if the requirements of a general election were to intervene.

The method of attaining the postponement, Mr. Hughes explained, was for both Houses of the Federal Parliament to express their opinion in the terms of his resolution. The Imperial Parliament would then be requested to pass legislation to give effect to the wishes of the Commonwealth Parliament. The Australian constitution did not allow of the House of Representatives continuing in existence longer than three years; but the constitution was an Act of the Imperial Parliament, and that Parliament could alter it in any particular.

The Opposition, however, strongly resisted the motion. They held that it had only been proposed because Ministerial supporters were afraid of losing their seats if the general

election came so soon after the conscription referendum. Moreover Mr. Tudor wanted to know what would happen if the war were not finished by the 8th of October, 1918. "No doubt," he said, "the Government will ask for a further prolongation." Mr. Joseph Cook showed that this anticipation was not unreasonable by the interjection: "If the war is not over in 1918, we may need a prolongation even more than we need it now." After a very long debate Mr. Hughes's motion was carried by 34 votes to 17.

But after that division was taken, on March 2nd, the Government learnt that they would not be able to carry their proposal in the Senate, and that therefore the policy of postponing the general election would have to be abandoned. When the Senate met on March 5th, the Vice-President of the Executive Council, Senator Millen, announced that the Government had decided to take steps to bring both Houses of the Parliament before the country immediately; and on the following day Mr. Hughes informed the House of Representatives that he had already waited upon the Governor-General and advised him to dissolve Parliament. "After consideration His Excellency was pleased to accept that advice."

The reason for the abandonment of the prolongation policy and the decision to dissolve Parliament was made plain in the Senate debate. Two Tasmanian senators, Messrs. Bakhap and Keating, could not be counted upon to support the ministerial proposal. The former senator in reply to a question as to whether he would have voted against the resolution, replied "Yes, and I think the Administration knew that."⁴¹ Senator Keating stated that he had told the Vice-President of the Executive Council that he was "not quite certain" of his attitude in regard to the motion for the prolongation of the life of the existing Parliament.⁴² The Government, therefore, were met with the probability of defeat in the Senate, and they determined upon an immediate dissolution.

Before the session concluded a measure was passed to enable members of the Commonwealth military and naval forces, and other Australian citizens who were engaged in

⁴¹ *Parliamentary Debates*, LXXXI, 10926

⁴² *Ibid*, 10964

war work abroad, to vote. A similar act had already been passed by the Parliament of the Dominion of Canada, and the bill submitted to the Commonwealth Parliament by the Minister for Home and Territories, Mr. Glynn, was founded upon the Canadian legislation. The difficulty that had to be met was to enable men on service to exercise their citizen rights without the obligation of voting for particular candidates. At the general election there would be six Senate ballot papers and 75 ballot papers for the electoral divisions returning members of the House of Representatives. But the troops in the field, the munition workers in Great Britain, and numerous other persons employed on war service, were not grouped according to States and constituencies, and it was practically impossible to provide machinery which would enable them to vote according to State and electoral divisions. It was therefore proposed to permit the persons to whom the act applied to vote for either Ministerial or Opposition candidates, as they chose. Within five days of the polling the Prime Minister was to mark the candidates who were recognised as ministerial, whilst the leader of the Opposition, Mr. Tudor, was to mark those who were accepted as the candidates of the official Labour party. Those who did not wish to vote for either party, might exercise their independence by selecting three names from the Senate candidates, and vote for them.

Clause 8 of the measure provided that in the case of a Senate election "a vote for a party" should be counted as a vote for each of the three candidates representing one or other of the two parties in the State in respect of which the voter was entitled to vote; whilst in the case of the House of Representatives "a vote for a party" was to be counted as a vote for the candidate recognised as representing the party in the electoral division where the voter was entitled to vote. But in either case, it was open to a voter to write on the ballot paper the name of any candidate for whom he wished to vote, and his vote was to be counted accordingly.

The Commonwealth Electoral (War-Time) Bill was the last piece of legislation passed by the Sixth Parliament of the Commonwealth, which was dissolved on 26th March, 1917. The whole of its proceedings from its election in 1914 till

its dissolution constituted one session, and the record of its debates extended to 11,707 double-column pages, with an index occupying 354 pages.

VI

The general election which was held on Saturday, May 5th, was contested with an intensity of bitterness unusual even in Australia, and as for the referendum, energetic measures were taken to secure the votes of the soldiers and others overseas. Opposition members had contended before the dissolution, that the result of the first conscription referendum was a premonition of the Government's doom, and that Mr. Hughes had proposed the prolongation of the duration of the Sixth Parliament of the Commonwealth to escape his well-merited fate. But the event now proved that the rejection of conscription did not imply that the electors were prepared to entrust the destinies of the country during the war to the official Labour party. On the contrary, candidates whose principles in regard to winning the war were considered doubtful, were everywhere defeated, whilst Nationalist candidates were returned, both for the Senate and the House of Representatives, by unexpectedly large majorities.

The whole of the 18 Senate seats which had to be filled were captured by Nationalists. Even Queensland, the only State in which there was an anti-conscriptionist State Government in office, gave the Nationalists a majority of Senate votes. In New South Wales and Victoria the Nationalist majorities at the Senate poll were 224,330 and 194,473 respectively; in Western Australia there were 253,424 Nationalist to 118,372 Labour votes for the Senate, and in South Australia and Tasmania the majorities of the victorious party were likewise substantial. On gross totals the Senate results showed that the Nationalists had secured 54.63 per cent. of the votes and the Labour party 43.14, a small margin of 00.89 votes going to Independent candidates, none of whom was returned.⁴³ Instead of the Government having a working majority of only two in the Senate, it now had a majority of 12 in that House.

⁴³ The remainder, 1.34 per cent., were informal.

The elections for the House of Representatives were equally decisive, securing for the Government a majority of 33, whereas before the election it had counted 23. The Prime Minister recognised that it was hopeless for him to present himself as a candidate for his old constituency, West Sydney, where none but a Labour man of unimpeachable official orthodoxy would have any chance of being returned. Having been challenged by Mr. Hampson,⁴⁴ Labour member for Bendigo, to contest that seat, he chose to do so. His announcement of the fact was received with great enthusiasm, and he won by a substantial majority. Mr. Hampson enlisted and went to the front.

The Nationalist party—or the “Win-the-War” party as it was sometimes called—laid emphasis on winning the war as the primary purpose in view, and in the speeches of Nationalist candidates scarcely any other issue was mentioned as being of much importance. But nearly all of them followed the lead given by Mr. Hughes in his policy speech at Bendigo on March 27th, in declaring that if the country entrusted its destinies to the Nationalists, they would not attempt to force conscription without taking another referendum. On his point Mr. Hughes was clear and decisive. “The Government,” he said, “accepts the verdict of the electors of October 28th, and appeals to the patriotism of the people to uphold the honour of Australia by maintaining the Australian divisions at their full fighting strength by voluntary enlistment. . . . If, however, national safety demands it, the question will again be referred to the people. That is the policy of the Government on this great question.” Mr. Watt also, in a speech at Prahran on April 2nd, while expressing his conviction that conscription for home and foreign service was justifiable, nevertheless held that, when an appeal had been made to the people and they had given their answer, that answer must be respected. But if national safety and the war demanded a reconsideration of the people’s answer, the question would again be submitted to the country.

The one prominent exception on the Nationalist side to the acceptance of the Prime Minister’s pledge not to introduce

⁴⁴ Lieut. A. J. Hampson, 2nd Light Rly. Op. Coy. M.L.A., Vic., 1911/14. Member of C’wealth House of Reps., 1915/17. Agent; of Elwood. Vic; b. Bendigo, Vic, 15 Sept, 1868. Died 19 May, 1924.

conscription without receiving a warrant from the people by referendum, was Sir William Irvine. Though an outstanding personage in Federal politics, and one who had been prominent in the formation of the Nationalist party, Sir William had refused to join the Nationalist ministry unless it accepted conscription as part of its programme, and during his election campaign he spoke scornfully of New South Wales Nationalists who had signed a manifesto in conformity with Mr. Hughes's undertaking. In a speech at Dandenong (April 2nd), he said that he would refuse to be a member of any Government which would not pledge itself to conscription, and that he would "sooner not enter the walls of Parliament again" than be a party to the abandonment of that policy. He admitted, however, that the Government was absolutely bound by the pledges that had been given, and he accepted it as binding on the party.⁴⁵ This was the only issue on which Sir William Irvine was at variance with the general Nationalist policy; and so high did he stand in the counsels of the party that the Government had proposed to send him as a representative of Australia in the Imperial Conference held in London early in 1917, but the intervention of the general election prevented this appointment being made. It would have been unprecedented to appoint to the Imperial Conference a politician who was not a member of the Cabinet, and some Nationalists took exception to the choice on that ground. Sir William Irvine's connection with Federal politics was, however, nearing a conclusion, as he was appointed Chief Justice of Victoria in succession to Chief Justice Madden in April, 1918.

The official Labour party announced its policy through a manifesto signed by Mr. Tudor and Mr. Watkins, respectively the leader and secretary of the party. On the war issue they stated, "Our attitude as a party is identical with our attitude at the last election, and the best pledge of our future intention is to be found in our past performance. While in office we conducted the war with vigour and determination." The promise was also given that "if again entrusted with the control of Australia's share in the war,

⁴⁵ *Parliamentary Debates*, LXXXIV, 3554.

we will continue under the voluntary system to secure the services of every man fit and willing to proceed to the front."

A placard of the Nationalist party published during the election described the Labour party as having "blown out its brains" when it expelled Mr Hughes and his followers. That it had suffered a severe loss was unmistakable. The shattering was as manifest in the electorates as in Parliament. No fewer than 100,000 votes which had been cast for the Labour party in 1914 were transferred to the Nationalist party in 1917. The most experienced, and, with few exceptions, the ablest, men were to be found in the cohort which followed Mr. Hughes. Mr. Tudor, though a conscientious man of signal integrity and uprightness, was not possessed of outstanding qualifications for a political leader, and some of his best supporters were as yet apprentices to their public calling. The work of twenty years of organisation and energetic propaganda, seemed to have been washed away in a flood of national distrust, and not till twelve years had passed did the Labour party in Australia regain the position which it lost during the war.

Mr. Hughes was severely criticised in some quarters because the pledge which he gave at Bendigo was a negation of his former contention that support of conscription was a test of loyalty to the Empire; and also because he was too fond of "personal abuse and intrigue," and had thereby shown himself to be more of a disintegrating force than a national leader such as the country needed. It was said that he showed no disposition to throw oil on troubled waters. Every denunciation of him brought forth a slashing attack upon his opponents. It was said that his indiscriminating invective against particular opponents antagonised whole classes which were not necessarily in opposition, and that his unrelenting aggressiveness intensified and hardened the feeling of some of those whom he attacked. "They began by being anti-conscription," said one distinguished observer,⁴⁶ "they went on to be anti-British, and they ended by being anti-war." There was something in this criticism. Not that, by refraining from retorts in kind, Mr. Hughes could have reconciled those who were already against him; the time for

⁴⁶ Afterwards minister in a Nationalist government.

reconciliation was gone; and the results of the election of 1917 did not indicate that his electioneering methods were ineffective. But he did tend to make enemies of some who might have supported a less uncompromisingly aggressive leader. He was indiscriminate. His attitude was that all his opponents were tarred with the same brush, whereas in fact there were marked differences between those who, like Mr. Tudor, were sincere in their loyalty to the British cause in the war, though honestly opposed to conscription, and others who were frankly opposed to the war and some against the imperial connection. Mr. Hughes sometimes seemed to confuse the Imperial cause with his own, as though in breathing forth fire against his own enemies he was assisting in the defeat of the enemies of the Allied Powers. But if he had the defects of his temperament he also had its virtues, and they were exerted with passionate fervour in the cause for which he sacrificed the party of which he had been one of the creators.

CHAPTER XI

THE SECOND CONSCRIPTION REFERENDUM

IMMEDIATELY after the first conscription referendum of October, 1916, there was a large decline in voluntary recruiting in all parts of Australia. The figures never again reached the level of even the weakest months before that event. Those who were responsible for the maintenance of the Australian force then fighting gallantly in France and Palestine saw with grave anxiety the drop from the 5,000 line in the graph to 4,000, and thence to 3,000 and, by the fourth quarter of 1917, to a few hundreds more than 2,000. Enthusiasm, patriotism, pride in the achievements of the army, anxiety for the victory of the Allies, seemed to be withering away.¹ Partisan bickering, the frenzied mutual abuse of infuriated politicians, racial and religious rancour, were more in evidence than the generous courage and high-spirited zeal which had characterised the earlier period of the war. Even without the enforcement of conscription which Andrew Fisher had dreaded, the results that he anticipated from it seemed to be coming about. Only from the mining fields did recruits continue to arrive freely. The following table, showing the enlistments from November, 1916, to December, 1917, marks the stages of the dwindling:

1916	November	5,055	1917	June	3,679
	December	2,617		July	4,155
1917	January	4,575		August	3,274
	February	4,924		September	2,460
	March	4,989		October	2,761
	April	4,646		November	2,815
	May	4,576		December	2,247

One obvious cause of this decline was the failure of the attempt to institute conscription by popular mandate at the

¹ Additional offers of service overseas were, however: one made by the Commonwealth Government in July, 1916, to send to Egypt 4,000 garrison troops selected from men who were unfit to serve in the A.I.F.; an offer (Aug. 1915) to send a large general hospital to Russia, in recognition of Russia's sacrifices; and an offer, privately made (April, 1917), by Sydney women to furnish a W.A.A.C. contingent of 500. All were declined except that of the hospital, which, however, was eventually sent to Egypt.

1916 referendum. The reasons why that course was adopted have been explained in previous pages. Whether any other course was available at the time is a matter about which constitutionalists will probably always differ; the almost insuperable difficulty of pursuing any other course has been shown. But the lamentable effect of the submission of conscription to a referendum was to create at once a party issue. The majority of voters at the referendum having decided against conscription, it was but a step from that position to the conversion of many among the anti-conscriptionists into opponents, tacit or otherwise, of the "win-the-war" policy.

The result of the general election of 1917 was, also, a severe disappointment to the Labour party. Tens of thousands of its supporters at the polls were filled with indignation against the victorious Government, and an almost inevitable consequence of the party system was that the weight of their influence on their representatives was exerted in opposition to the Government's policy. Many electors, who before the general election were unshakable Labour supporters but at the same time earnestly desirous to promote the fighting effort, were, after that event, less keen upon the steps taken to prosecute the war, because those steps formed part of the effort of a government to which they were bitterly antagonistic. The tragic circumstance was the creation of a bitter partisan issue out of one which should have been kept beyond the range of ordinary party strife. The Director-General of Recruiting, who was in a position to form a sound judgment, attributed the decline mainly to the causes mentioned above. He wrote:

In the second half of 1917 recruiting work got smaller results. The first six months gave 28,000 men, the second about 21,000. But this falling off was undoubtedly contributed to by accidental circumstances. Political feeling of a bitter nature had arisen between parties. There was also a bad industrial crisis in the most populous State, New South Wales. In Victoria sectarian animosity had free play. All these things are inimical to voluntary recruiting, which only gives its best results in times of domestic harmony. It was the constant endeavour of the recruiting organisation to eliminate these causes of dissension and distraction. But the general welfare became subservient to class and individual animosity, and the trouble grew as the effects of war-weariness began to make themselves felt.

The Director-General of Recruiting, Mr. Donald Mackinnon, was appointed to that office on the 29th of November, 1916. Up till that time recruiting was one of the functions of the Defence Department, the most over-worked organisation under the Government. It was, perhaps, a mistake to load the department with the duty of attending to voluntary recruiting even in those early months of the war when the men came forward with such eagerness that the main problem was to select the best and find reasons for not taking the remainder. With the prolongation of the war, the work necessarily became more difficult, and the Defence Department ought to have been left free to discharge its more strictly military duties of training and equipping the contingents, and attending to the infinitely complex details pertaining to army administration. Had there been a director-general of recruiting from 1914, it is certain that many difficulties would have been avoided and many mistakes would not have been made. But the delay in appointing a director-general till after the first conscription referendum necessarily meant that he was faced with a task the inherent perplexity of which was aggravated by the political cross-currents set in violent motion by the conscription controversy. He had then not merely to organise but to combat the mass of prejudices, to assuage the bitter feelings, to answer the misrepresentations erupted from an enraged volcanic terrain.

An excellent choice was made. Mr. Mackinnon, a barrister by profession, a member of the Legislative Assembly of Victoria and a former minister, a public man of experience, with large pastoral interests and an intimate knowledge of Australia and its people in all ranks of life, commanded general respect.² He was a fair-minded man, who met arguments with reasonable answers, was patient, not easily ruffled even by unfair opposition, and patently sincere. He had been chairman of the recruiting committee in Victoria and associated with the sportsmen's recruiting efforts, and he knew that he was undertaking a very difficult work.

² He was also President of the Victorian Cricket Association and, during 1923-24, Commissioner for Australia in U.S.A.

The effect of recent political occurrences was felt as soon as a new system of recruiting was commenced. It was found that many of those who had been active in earlier recruiting efforts were now disposed to refuse assistance "because they were compromised by partisanship in the conscription campaign." Others thought that further exertion was futile. Still, there were many workers whose enthusiasm was undimmed, and shortly a new organisation reaching through Australia was brought into being.

A State Recruiting Committee in each State was nominated by the Director-General. These committees were entrusted with authority and supervision over all local committees, and guided and directed the general policy to be adopted in the organisation of each State, subject to the control of the Director-General. State organising secretaries were appointed to execute the determinations of the State committees, and they also had the direction of the recruiting officers. There was a committee in each Federal electorate, and the Federal member for the electorate was chairman of it, while those State members of parliament whose electorates were wholly or mainly within the Federal electorates were *ex-officio* members. Further, in each local government area, there was a local committee, which was expected to increase its numbers to the extent of embracing all men and women in the district who were prepared to assist. Recruiting officers, not necessarily persons holding military rank, were stationed in central towns in each Federal electorate. When a civilian recruiting officer was appointed, he was paid at the rate of £250 per annum, and all such officers were expected to devote their whole time to recruiting organisation. Organisers might be appointed to assist the recruiting officers, and it was ordered that they should be either discharged returned soldiers or men who, having volunteered for active service, had been rejected. They were paid £4 per week.

The chairmen and vice-chairmen of the State Recruiting Committees appointed at the beginning of the campaign were: Queensland, Senator Givens and Colonel Thynne;³ New

³ Col Hon A J Thynne, V D. M L C., Q'land. 1882/1922. Solicitor, of Highgate Hill, Q'land, b Ballinagrave House, Co Clare Ireland, 30 Oct., 1847. Died, 28 Feb., 1927.

South Wales, Professor Macintyre⁴ and Mr. Storey;⁵ Victoria,⁶ Mr. Wise, Mr. Blackwood,⁷ and Mr. Noyes;⁸ South Australia, Senator Newlands,⁹ and Mr. Lucas;¹⁰ Western Australia, Mr. Fowler,¹¹ Mr. Dodd,¹² and Mr. Vincent;¹³ Tasmania, Senator Ready¹⁴ and Mr. Earle. The organising secretaries appointed in each State were: Queensland, Captain Dash;¹⁵ New South Wales, Captain Coates;¹⁶ Victoria, Captain Baird;¹⁷ South Australia, Captain Bruce;¹⁸ Western Australia, Captain Burkett;¹⁹ Tasmania, Captain Ogilvy.²⁰ The Director-General was himself helped by Mr. Dean,²¹ an honorary assistant, and by the official secretary, Captain Robinson.²²

⁴ Very Rev. Dr. R. G. Macintyre, C.M.G., O.B.E. Professor of Systematic Theology, St Andrew's College, University of Sydney, 1910/27; Moderator-General, Presbyterian Church of Australia, 1916/18. Of Sydney, b. Melbourne, 30 Aug. 1863.

⁵ Hon J Storey, M.L.A., N.S. Wales, 1901/4, 1907/21; Premier, 1920/21 Of Balmain, N.S.W.; b. Jervis Bay, N.S.W., 15 May, 1869. Died, 5 Oct., 1921.

⁶ In May, 1917, the Victorian State Recruiting Committee was reorganised. In the new committee Mr J. W. Leckie, M.P., was chairman, and Mr. J. M. Gillespie vice-chairman. Captain G. J. C. Dyett, a returned soldier, became organising secretary, and the staff was chosen from returned soldiers.

⁷ R. O. Blackwood, Esq. Pastoralist and company director, of Deniliquin, N.S.W., and St. Kilda, Vic; b. Woodlands Station, Crowlands, Vic., 24 June, 1861.

⁸ H. O. Noyes, Esq. Governing Director, Noyes Bros Pty. Ltd, Melbourne, 1907/22; of Malvern, Vic; b. Creaton, Northants, Eng., 1861. Died, 20 March, 1922.

⁹ Sir John Newlands, K.C.M.G., C.B.E. M.H.A., South Aust., 1906/12; member of C'wealth Senate, 1913/32; President of Senate, 1926/29. Of Glenelg, S. Aust.; b. Cawdor, Nairnshire, Scotland, 4 Aug., 1864. Died, 20 May, 1932.

¹⁰ Sir Edward Lucas, M.L.C., South Aust., 1900/18; Agent-General for S. Aust. in London, 1918/25. Merchant; of Medindie, S. Aust.; b. Galonetra, Co. Cavan, Ireland, 14 Feb., 1857.

¹¹ Hon. J. M. Fowler, M.H.R., 1901/22. Accountant and farmer; of Lanarkshire, Scotland, and Perth, W. Aust.; b. Strathaven, Scotland, 20 June, 1865.

¹² Hon. J. Dodd, M.L.C., W. Aust., 1910/28. Of Perth, W. Aust.; b. Callington, S. Aust., 4 June, 1862. Died, 2 Jan., 1928.

¹³ R. P. Vincent, Esq. Merchant; of Perth, W. Aust.; b. Castlemaine, Vic., 21 May, 1857. Died, 15 July, 1921.

¹⁴ Hon. W. M. Williams afterwards became chairman in Tasmania.

¹⁵ Capt. G. M. Dash. C'wealth Loan Publicity Offr., 1917/20. Company manager, of Sydney and Brisbane; b. Melbourne, 2 Jan., 1886.

¹⁶ Capt. P. H. Coates. Deputy Registrar-General, N.S. Wales; of Normanhurst, N.S.W.; b. Parramatta, N.S.W., 1873.

¹⁷ Capt. A. L. Baird. Amusement park promotor, and manufacturer; of Melbourne; b. Sydney, 18 Feb., 1869.

¹⁸ Capt. F. T. Bruce. Auctioneer and general commission agent; of Adelaide; b. North Adelaide, 9 March, 1881.

¹⁹ Capt. G. A. Burkett, 10th L.H. Regt., A.I.F. Engineer; of Perth, W. Aust; b. Echuca, Vic., 8 Feb., 1879. Died, 8 Aug., 1932.

²⁰ Capt. K. A. Ogilvy. Farmer; of Richmond and New Town, Tas; b. "Inverquharthy," Richmond, 17 Aug., 1863.

²¹ G. W. S. Dean, Esq. Sometime Secretary Bookmakers' Association of Victoria.

²² Capt. W. A. Robinson. Public servant; of Ivanhoe, Vic; b. Barnawartha, Vic., 4 Aug., 1872.

A large variety of methods to stimulate recruiting aimed at appealing to eligible men through their reason, their feelings, their sense of comradeship, and their obligations as citizens. Public meetings were arranged all over the country, and there was no dearth of effective speakers. British picture films were used largely, and proved one of the most useful stimuli.²³ An abundance of literature was produced bearing on all points connected with recruiting, answering objections, explaining the necessity for the numbers required. Three recruiting handbooks proved to be of great assistance to the local committees namely *The Speaker's Companion*, *The Organizer's Companion*, and *The Recruit's Companion*, these having been prepared by Mr. Castieau,²⁴ an officer of the Victorian public service. Military bands were utilised to a considerable extent, playing martial music, and route marches of troops attracted a large amount of public attention. The newspapers in all States were unanimous in giving assistance to the campaign. Vigorous writing, information skilfully presented, cartoons, spirited verses, and all the literary devices of accomplished journalists were placed at the service of the Director-General. The universities were visited, and addresses delivered there to senior students who had attained military age; and a returned soldier, still limping from his wounds, who was effectively heard at such meetings was Captain Stanley Bruce,²⁵ who then, probably, had no thought of entering political life, and for whom none at this time would have predicted the attainment of the Prime Ministership of Australia. Recruiting appeals were unexpectedly made in theatres and ball-rooms. An observer wrote:

In the interval at a dance a wounded soldier would stand up and ask for mates; on a surfing beach the sun-baskers would hear the voice of the recruiter; at the moving pictures and the theatres the tale of the disappearing legions was told. In the centre of the cities, outside the post offices or town halls or other gathering places, a daily meeting gave opportunities for all who knew how and what

²³ The failure in the provision of Australian films is referred to in footnote 56 on p. 469.

²⁴ J. B. Castieau, Esq. Public servant; of Elwood, Vic. b. Beechworth, Vic. 4 May, 1868.

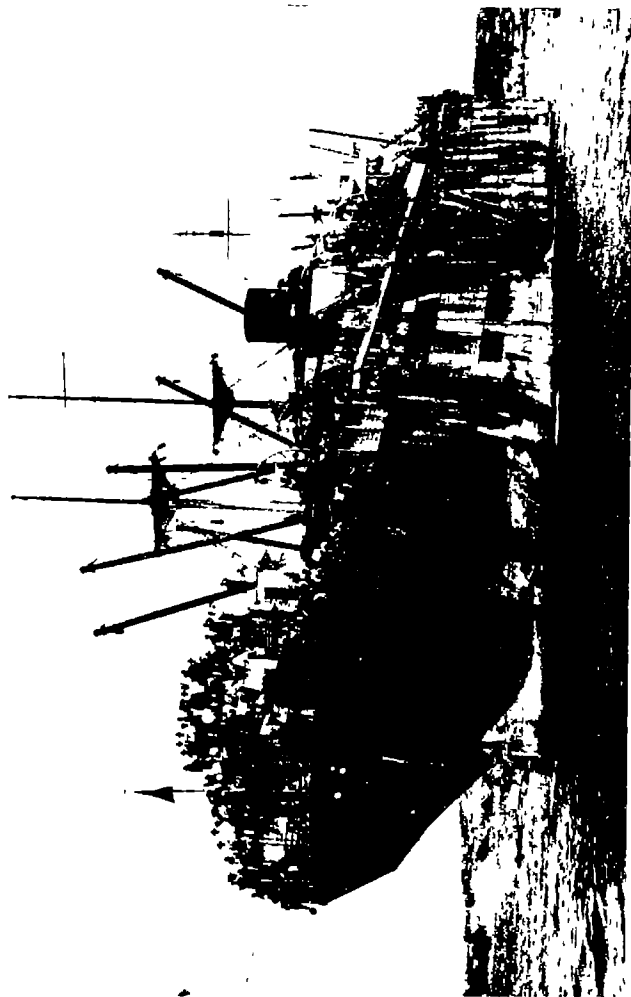
²⁵ Capt Rt. Hon. S. M. Bruce, C.H., M.C. M.H.R. 1918/29, 1931/33; Treasurer, 1921/23; Prime Minister and Minister for External Affairs, 1923/29; Assistant Treasurer, 1932, Resident Minister in London, 1932/33; High Commissioner for Australia in London since 1933. Of Frankston Vic.; b. Melbourne, 15 Apr., 1881. (Served with British Army in Gallipoli and France, 1915/17).



31 HON. DONALD MACKINNON, DIRECTOR-GENERAL OF RECRUITING,
1916-18

Photo by Marceau, New York

To face p. 402



32. THE TRANSPORT *Argyllshire* WITH RETURNING TROOPS IN SYDNEY HARBOUR

(See also Vol. XII, plates 722-5)

Photo by "The Sydney Mail"

to speak on the great topic. It might be a returned V.C., a crippled officer, a wounded man from the military hospital, the Premier of the State, the Lord Mayor, the chairman of the local recruiting committee, or the Director-General, a chaplain, a layman, a woman. Sometimes it was one of that day's recruits.

It is safe to say that no method that ingenuity and earnestness could suggest to make an effective appeal to the competent manhood available was neglected by the hundreds of workers who assisted in the campaign. Their enthusiasm was not damped by discouragement. No useful suggestion was unheeded. When complaints were made that some detail of military training, perhaps, or some grievance of returned men, militated against the success of the recruiting movement, efforts were at once made to remedy the defect, if it were genuine, and to assure the public that the mistake, if it were such, would not recur. Complaints of all kinds were systematically investigated. Mr. Macindoe,²⁶ a barrister returned soldier, applied himself to this task, and was given permission to examine departmental files bearing on any case. He dealt very promptly with every one. No possible cause of grievance was neglected. Sometimes the opponents of recruiting alleged that willing men were deterred by the bad treatment of the wives and children of married recruits. Some rich men, like Sir Samuel McCaughey,²⁷ gave liberal assistance to insure the lives of new recruits so that, if the worst befell, their dependants would not be left to the provision made by the Government. In all States methods were instituted of helping wounded and disabled returned soldiers until satisfactory measures of repatriation should be officially brought into operation.

A useful auxiliary to the official organisation was the Sportsmen's Committee originated in New South Wales.²⁸ A similar committee was afterwards formed in Victoria. The purpose was to raise a "Sportsmen's Thousand" from among the different sporting clubs. No branch of sport was

²⁶ Judge H. C. G. Macindoe. Judge of County Court, Victoria, since 1926. Of Toorak, Vic., b. Dalmuir, Dumbartonshire, Scotland, 23 Apr., 1883. (Served in 23rd Bn., A.I.F.)

²⁷ Hon. Sir Samuel McCaughey, M.L.C., N.S. Wales, 1899/1919. Pastoralist and irrigationist; of Yanco and Narrandera, N.S.W.; b. Ballymena, Ireland, 30 June, 1835. Died, 25 July, 1919.

²⁸ In 1917 two leading sportsmen in that State, L. S. W. Seaborn, footballer, and A. Diamond, cricketer, raised a number of recruits and went with them as officers.

neglected, and the effort was attended with satisfactory results. Women's sub-committees in all States used their influence to good effect.

Interesting details are revealed by the recruiting reports. It was found that the mining districts of Australia furnished recruits freely; "Broken Hill and the Western Australian goldfields were outstanding in this respect." Throughout the war, there was no marked difference between the proportion of eligible men enlisting from what may be considered to be peculiarly working-class suburbs of the chief cities, and those who came from districts whose parliamentary representation suggested that they contained a lesser working-class element. The manifestation of enthusiasm to serve, that occurred during the months when recruiting flourished, was general and not confined to any class or place, and when the line upon the graph showed a downward tendency the reluctance was equally fairly distributed. It does not appear, either, that the publication of the long casualty lists following important engagements in which the A.I.F. took part had any deterrent effect—rather the contrary. The psychology of the decline is not to be explained by the news that came from the front, whether it was good or bad, whether the Australian battalions were engaged in one of the battles in which they paid so dearly for the laurels they won, or whether they were resting behind the lines in preparation for another term in the trenches. The result of endeavours to stimulate recruiting was also often unexpected. While the sportsmen's effort was a welcome success, the Federal electorate committees of which members of parliament were *ex-officio* chairmen were recorded as being "of little use."

The figures previously cited show that within the six months ending 30th June, 1917, the enlistments numbered 27,389. The total was made of the following contributions from the States: Queensland, 3,822; New South Wales, 10,489; Victoria, 6,783; South Australia, 2,525; Western Australia, 2,920; Tasmania, 850. The cost per man of obtaining these recruits varied greatly; in the State which contributed the largest number, New South Wales, the cost

was lowest, while in the States which contributed the smallest number, South Australia and Tasmania, the cost was greatest, as shown by the following figures:

Queensland	..	..	£4	0	3	per head
New South Wales	..	..	1	18	4	„
Victoria	..	..	3	13	7	„
South Australia	..	..	4	3	8	„
Western Australia	..	..	2	0	8	„
Tasmania	..	..	4	3	0	„

Practically half the Australian troops were certified as belonging to the Church of England, a circumstance which probably indicated English parentage or descent.²⁹

The whole effort of the Director-General of Recruiting was to maintain recruiting at a level which would enable the five infantry divisions to keep up to strength. For that purpose it was now admitted that 5,500 reinforcements arriving at the front³⁰ per month were necessary. In no month after the first conscription referendum was that figure reached. On the contrary, throughout 1917 diminishing numbers presented their discouraging attenuation to those who were doing their utmost to make a success of the voluntary system. No loop-hole was left for any wiseacre to allege afterwards that the results might have been better if such-and-such a thing had been done, or some other thing had not been done. No suggestion was neglected; no criticism was disregarded. But the totals dwindled nevertheless. It can safely be said that no organised effort extended over the whole of Australia was more sincerely conducted than that directed by Mr. Donald Mackinnon during 1917. He believed in his mission; he had willing helpers; he was watchful, conciliatory, diligent; he neglected no opportunity. The fading results were due to influences beyond his control.

²⁹ At the 1911 census the proportion of adherents of the Church of England in the population was 38.12 per cent. The proportion shown in the enlistments was therefore very striking. It is somewhat difficult to know how to interpret it, since men of Irish and Scottish descent were by no means less prominent in the fighting.

³⁰ To ensure these it would be necessary to recruit a rather larger number in Australia.

II

It is therefore clear that recruits were not forthcoming, under the system in operation, for maintaining five Australian divisions up to strength. Yet early in 1917 responsible statesmen and officers in Great Britain, believing that by united effort the war could be won in that year, pressed for the formation of additional forces in all the dominions. The request to Australia was for a sixth Australian division. On February 1st the Secretary of State telegraphed that the possibility of raising further troops was being anxiously considered. "The Government is aware," he said, "that last November your Government was doubtful whether . . . it would be possible to maintain five Australian divisions in the field. Nevertheless in view of urgent need for men they ask your Ministers to consider earnestly once more possibility of forming at once a sixth Australian Division." A week later the following telegram, expressing the views of the Chief of the Imperial General Staff, General Sir William Robertson, was received by the Prime Minister.

Operations of current year will be of supreme importance to ultimate issue of war. Enemy knows this. . . . A sixth Australian division with or without its artillery, ready to take the field during July, would be invaluable addition to fighting strength of the Imperial army on the Western front. . . .

The Commonwealth Government did not reply that a sixth division was impossible. On the contrary, they telegraphed to London (February 15th) pointing out that 286,950 men had been despatched and that of these there were 108,000 in England, Egypt, Australia, and at sea. "It will be seen that a sixth division can be formed at once from forces already available. The Commonwealth Government agrees to your request, but considers that one of the three infantry brigades should be formed first."

A sixth infantry division had been offered by the Australian Government in May, 1916, but had been refused by the Army Council on the ground that its formation would render difficult the maintenance at full strength of the other five. The reason for the present request was that the Army Council expected that this year's struggle would be decisive. A similar appeal was made to every other dominion. But

the position in Australia was not what it had been in May, 1916. The Commonwealth Government in concurring with the request made from London over-estimated its capacity to furnish a sixth division. The Director-General of Recruiting was not consulted, and if he had been he could not have encouraged the hope that another division was within Australia's capacity under the voluntary system. In reliance, however, upon the Commonwealth Government's telegram of February 15th, General Birdwood, who was administrative commander of the whole A.I.F. as well as commander of the I Anzac Corps, made arrangements for the organisation of the anticipated sixth division. On March 4th an A.I.F. order was issued: "Orders have been received for the formation of a 6th Australian Division, and the Lieutenant-General commanding is making preparatory arrangements." Two infantry brigades were formed. But the unexpected casualties of the Battles of Bullecourt added to those of Messines, and the failure of recruiting in Australia, soon made it necessary to draw upon them for reinforcements for the other divisions. General Birdwood was informed by G.H.Q. on June 10th that—

Information has recently been received to the effect that the state of Australian reinforcements will not admit of the two Australian brigades being sent to France at present, and it is understood that, on present indications, the drafts likely to be available from Australia will be insufficient to maintain more than the five divisions in the field.

On June 14th Major-General J. W. M'Cay, commanding the Australian dépôts in the United Kingdom, advised that "the formation of the 6th division should be abandoned," and this was accordingly done.

On the 5th of April, 1917—that is, before the elections—the Commonwealth Government, seeing that the requirements in recruiting previously laid down by the War Office were in excess of the need, had asked that the Army Council should estimate—on its "present experience" of casualties—the minimum number of recruits required to maintain the five divisions. This information, the cablegram added, was required for the voluntary recruiting campaign. The answer, despatched on May 24th, was that 15,000 infantry were required as soon as possible, so that they could be sent to

France from the English dépôts in August, September, and October; and another 5,000 were required for sending in November and December. For artillery, only 300 a month were needed. The Chief of the General Staff (Brigadier-General Foster)³¹ calculated that to supply the numbers thus required it would be necessary to enlist in Australia 7,000 men monthly.

On this basis Mr. Hughes on June 29th announced the Government's recruiting policy. Australia had on the Western Front, roughly, 100,000 men; this was Australia's quota, which the Empire expected her to maintain at full strength. In conformity with his election pledge, the Government had formulated a policy for doing this by voluntary enlistment. The experience of the winter campaign had enabled the War Office to revise its estimate, and the number of recruits for which he now appealed was 7,000 monthly. It was estimated that there were in Australia still 140,000 single men between the ages of 18 and 44 fit for service, and also 280,000 married men, fit and unfit, between those ages. For the past six months the recruiting had been quite inadequate, averaging 4,750, but falling lower in May. The Government felt that "if the voice of the conscriptionist and the anti-conscriptionist alike be silenced" the effort to raise 7,000 monthly would be successful.

This appeal was accompanied by certain pledges and proposals which reached not only the Australian people but the Australian troops in France,³² and had important repercussions. First, the Prime Minister repeated Mr. Fisher's promise that preference for employment in the Federal public service should be given to returned soldiers. No fit single man would be employed in any position that could be filled, with equal advantage to the nation, by a returned soldier or an ineligible man.³³ Second, Mr. Hughes repeated a

³¹ Brig.-Gen. H. J. Foster, p. 5 c; R. E. Director of Military Science, University of Sydney, 1906/15; C.G.S., Australia, 1915/17; Director of Military Art, Royal Military College, Duntroon, 1917/18 B 4 Oct., 1855. Died 21 March, 1919.

³² Official summaries of Australian news had, since the autumn of 1916, been telegraphed to the High Commissioner's office in London, for transmission to the Australian troops, first in *The Rising Sun* (a trench newspaper), and later by circular.

³³ "The Ministry will give effect to its policy of preference of employment to returned soldiers, and as far as possible, and subject to the provisions of the Public Service Act, no fit single man of military age will be employed in a position that can be filled with equal advantage to the nation by a returned soldier or ineligible man. It will apply this policy forthwith in all Government departments." For the action of the Fisher Government, see p. 296.

proposal previously made by Senator Pearce,³⁴ that additional men, over and above the 7,000, should come forward to take the places of the survivors of the original force, who were still fighting at the front and who might thus be given furlough to Australia. As French, British, and German troops on the Western Front were able to visit their homes on more or less regular furlough, the equity of this proposal immediately appealed both to the relatives of the Australian troops and to the men themselves. The hopes aroused by these suggestions were so keen that the chairman of the New South Wales State Recruiting Committee urged that the matter should be quickly decided, one way or the other. The proposal was accordingly made to the British Government on September 13th. The answer of the Army Council, however, was so full of apprehension of the involvements—probably including the granting of home leave to all British and dominion forces in all distant theatres of war, with the accompanying difficulties of finding transport—that the project was, for the time being, dropped.³⁵

In spite of the renewed effort the recruiting figures, slightly over 4,000 in July, rapidly dropped to under 3,000—far less than half the number required. This decline seriously troubled those who felt acutely that the honour of the country was involved in the maintenance of the army. The war news during the second half of 1917 was discouraging. The collapse of Russia made a radical change in the outlook of the war, leaving the eastern frontiers of the Germanic powers unmenaced, and enabling them to move to the Western Front masses of seasoned troops and vast quantities of guns and munitions. The prospects were that the war in Flanders and eastern France would be much more strenuous than it had been hitherto. The man-power of Australia needed to be exerted to a greater extent if she was to take the share accepted for her by the Government in the military effort to defeat the powerful enemy. But nothing like the available man-power was being enlisted, and three years' trial of the voluntary system had proved that the numbers required were

³⁴ On May 29, addressing a meeting outside Melbourne Town Hall, Senator Pearce appealed for 5,000 men to enable leave to be granted to survivors of General Bridges' original force.

³⁵ Its ultimate adoption in the A.I.F. will be described in *Vol. VI*.

not to be obtained by those means. Two British dominions, Canada and New Zealand, were deliberately adopting conscription,⁸⁶ and the United States, from her entry into the war on the side of the Allies, had without a moment's hesitation formed her armies by conscripting her man-power. These great democratic nations, as well as Great Britain herself, had not hesitated to use the agency of the state to fill their battalions with eligible men. It began to be asked whether Australia ought not to reconsider her decision of 1916.

Dissatisfaction with the position was first voiced in Queensland. In October, 1917, the conscription committee in New South Wales published an emphatically-worded manifesto, in which it was urged:

The pledge of the Federal Government not to ask the people to accept conscription "unless the tide of battle turned against the Allies," is no longer a bar to reviving this all-important issue of compulsory overseas military service. The conditions referred to in the pledge have been amply fulfilled, and, with the changed military position it is now the plain and simple duty of the Federal Government to tell the people of Australia that a choice must be made between a Government that is prepared to stake its existence on conscription and a Government which is not.⁸⁷

The Sydney Morning Herald voiced the thought of many people in urging that "the Government is justified in taking any measures for the safety of the State, no matter what pledges may have been given in a time of comparative security." It was not asked that the Government should break its pledges, but that it should give another opportunity for the country to signify that it had changed its mind in view of the seriousness of the military situation and the evident failure of voluntary recruiting. So far Sir William Irvine, the one prominent member of the Commonwealth Parliament who had never wavered from the contention that it was the duty of the Government to institute compulsory military service, had been refraining from pressing this view, partly from a desire not to embarrass the Government, and partly because it was contended by the chairman of the Victorian State Recruiting Committee, Mr. Leckie,⁸⁸ that the advocacy of

⁸⁶ New Zealand passed the law in August, 1916, and enforced it in November. Canada passed it in August, 1917, and enforced it in October.

⁸⁷ Manifesto quoted in *The Argus*, 5 Nov., 1917.

⁸⁸ J. W. Leckie, Esq. M.L.A., Victoria, 1913/17; member of C'wealth House of Reps., 1917/19, Senate, 1935. Manufacturer, of Kew, Vic., b. Alexandra, Vic., 14 Oct., 1872.

conscription hindered voluntary recruiting. The lead given in New South Wales, however, now brought him out again as an advocate of the conscriptionist case. "Unfortunately," he said, "a pledge was given by the leader of the Win-the-War party that conscription would not be brought in without another referendum of the people, and that there would be no further referendum on the subject unless some disaster befell the Empire. The Parliament elected on May 5th was crippled by that pledge."³⁹ Still more emphatically did Sir William Irvine express himself in a speech on November 8th: "I say that the Federal Government should have shouldered that responsibility. I have always been against a referendum in regard to the conscription issue. I say that the Government is not upholding the responsibility which the people expect from a responsible Government."

The movement thus commenced was rapidly taken up in all the States. Sir William Irvine undertook a political tour to Sydney and Brisbane, advocating conscription wherever he spoke, and everywhere meeting with enthusiastic approval. Many public men believed that there was a real change of mind throughout the country. The Premier of New South Wales, Mr. Holman, expressed himself as confident that a fresh appeal to the people would result in a verdict of approval. Parliament was not in session at the time when the issue was thus raised; it had adjourned towards the end of September. If action was to be taken, therefore, the Government would have to order a referendum by virtue of its general administrative powers, unless it summoned Parliament for a special sitting. The latter course the Government was reluctant to take.

As twelve months before, however, in addition to the crumbling of Russia's support, and to the breakdown of the Italian defence, which were the main external causes impelling the Government, there also came to its knowledge at the last moment special reasons why a strong effort was necessary. As in the second half of 1916, all the Australian divisions in France—this time including the 3rd—had just emerged from an offensive in which they had suffered a heavy aggregate

³⁹ *The Argus*, Oct 23.

loss. In 1916, the First Battle of the Somme and the feint at Fromelles had cost the four Australian divisions over 28,000 casualties. Their immersion in the Third Battle of Ypres, in September and October, 1917, had cost the five divisions 38,000, on top of their losses at Messines (7,000) and Bullecourt (10,000). In 1916 the Army Council's threat to break up the then untried 3rd Division may not have been entirely serious, but there could be no doubt about the danger that now threatened the existence of a veteran division, the 4th. It was only saved by General Birdwood's obtaining the leave of the Commander-in-Chief to keep it in a back area as a sort of "dépôt" division, pending the building-up of the other four. All five infantry divisions would be combined in one army corps under General Birdwood, and moved to a quiet front. But only if the Australian Corps could be replenished with the necessary reinforcements would the breaking-up of the reserve division be avoided. The Australian Government was informed of and agreed to these urgent emergency measures at the beginning of November, 1917.

With these ominous facts in his possession, on November 7th the Prime Minister made the announcement that "the Government, in view of the increased gravity of the military situation, and being satisfied that the voluntary system of recruiting has proved itself inadequate to reinforce our armies, has decided to immediately ask the people by referendum for authority to raise by compulsory service the number of troops necessary to maintain our five divisions at effective strength. The referendum will not be taken on the lines of the last one, but will be upon a definite scheme, which will be fully outlined by the Prime Minister at Bendigo on Monday next. Mr. Hughes, in his speech, will deal with the situation in all its aspects."⁴⁰

⁴⁰ On Nov. 9 General Birdwood wrote to Sir Douglas Haig's chief of the general staff, in France, that a telegram had been received from Australia that "as a result of the information I gave them regarding our 4th Division, they have decided to hold another immediate referendum in the hopes of getting conscription through." Mr. Hughes, however, in telegraphing to Mr. Keith Murdoch on Nov. 6, informed him that the Russian situation followed by the Italian debacle had made probable another referendum or alternatively an election. Possibly the news from Birdwood tipped the scale.

In his Bendigo speech Mr. Hughes laid down the features of the scheme which the Government asked the people to endorse. The main ones were:

(1) that the system of voluntary enlistment should continue;

(2) the number of reinforcements required was 7,000 per month, and compulsory reinforcements would be called up by ballot to the extent to which voluntary enlistment failed to supply this number, the ballot to be taken from among single men only, between the ages of 20 and 44, including widowers and divorcees without children dependent upon them.

The following persons would be exempt: (a) persons physically unfit for service; (b) judges of Federal and State courts, and police, special and stipendiary magistrates; (c) ministers of religion; (d) persons whose employment in any particular industry was declared by a prescribed authority to be necessary for the supply of food and material essential for the war; (e) persons whose religious beliefs did not allow them to bear arms, but this objection would only exempt them from combatant service; (f) persons the calling-up of whom for service would because of their domestic circumstances cause undue hardship to those dependent upon them.

As a piece of glittering rhetoric, as a moving appeal, as a vivid description of the perils confronting the Commonwealth, as a clear exposition of the military situation, the Bendigo speech was one of the best Mr. Hughes had made during his long political career. It laid the position before the country in unmistakable terms, and it appeared to proclaim the attitude of the Government with a firmness and clarity leaving no room for doubt. "Events," said the orator, had "created a situation so menacing that, had the Government failed to act, it would have proved itself not only inept but treacherous." If there was in this declaration what is popularly called "a catch," it lay in the phrase "had the Government failed to act"; for in fact the Government was not proposing "to act," but to ask the people to signify approbation of action. In a later phrase, however, Mr. Hughes stated the attitude of the Government in much more definite

terms. "I tell you plainly," he said, "that the Government must have this power; it cannot govern the country without it, and will not attempt to do so." This declaration, with unimportant variations in phraseology, was frequently repeated in later speeches, and was taken throughout that stormy period, by supporters of the Government and their opponents alike, as a definition of the Government's determination to secure reinforcements by compulsion, or decline to take responsibility for the conduct of public affairs.⁴¹ The strange manner in which events were to work out was not foreseen. If they had been realised, the Prime Minister might not have phrased his pledge in such rigorous terms.

The statement in the outlines of the Government's new scheme, that it was necessary to recruit 7,000 men per month, was not made with the concurrence of the Director-General of Recruiting, whose opinion was that 5,400 men per month would be sufficient to provide reinforcements to make up for the wastage of five divisions.⁴²

III

The day for the taking of the referendum was appointed to be Thursday, December 20th, and the question, to which the electors of the Commonwealth were required to give an affirmative or a negative answer, was:

Are you in favour of the proposal of the Commonwealth Government for reinforcing the Australian Imperial Forces overseas?

The question had to be read in connection with the scheme of reinforcement outlined by the Prime Minister in his Bendigo speech, and abundant efforts were made to enable the public to know what the Government proposed to do.

⁴¹ The statement was repeated in speeches delivered by Mr. Hughes in several parts of Australia. Thus at Brisbane he said "that if the powers which the Government sought were not given, he for one would not attempt to govern the country." Again at Sydney: "I declare that unless the Government has this power it will not attempt, it cannot, to govern this country." The *Sydney Sun*, in particular, emphasised this promise.

⁴² It is difficult to say on what ground it was based. In August, 1917, Brig.-Gen. Foster, then Chief of the General Staff, estimated from the casualties already suffered that from 6,340 to 7,340 were needed monthly. His successor, Maj.-Gen. Legge, disagreed with the basis of calculation, and gave 4,650 as his estimate. General Birdwood at the end of October placed the requirements at 5,500. The Army Council furnished figures which also worked out at 5,500. On November 3rd Senator Pearce accepted this figure, but, as 10 per cent. had to be allowed for wastage in Australia, his estimate of the number of recruits to be raised was 6,000.

Nevertheless the form of the question was bitterly criticised as an attempt to conceal the real designs. Archbishop Mannix, with his customary directness of speech, denounced the ministry as not having "the ordinary honesty or even decency to put a fair, straight question. A straight question on conscription," the archbishop insisted, "would get a straight answer. But Mr. Hughes and his party had framed a question from which the word conscription is wholly eliminated."⁴³

The violence which characterised the first conscription campaign in 1916 was exceeded by that of the second in 1917, and the fact that the momentous decision had to be given a few days before the commencement of the traditional season of goodwill did not lessen or weaken the heat infused into the campaign oratory. The supporters of the Government stressed the point that the general election of the previous May proved that the mind of the country had undergone a radical change, and that the people were convinced that the seriousness of the military situation made compulsory service necessary in the interests of Australia and the Empire. The opponents of the Government maintained that the decision given in October, 1916, ought to have been accepted as final; that the issue was then closed; and that the reopening of it was a political trick on the part of a discredited leader anxious to save himself from the consequences of his own party's distrust.

On this occasion, the form taken by the campaign in opposition was anti-Hughes as well as anti-conscription. The Prime Minister was assailed with the most vehement fury. When he was on his way back from Brisbane, a crowd rushed the railway platform at Warwick (November 29th), where supporters of his cause had gathered to hear a few sentences from him while the train waited at 3 o'clock in the afternoon. An opponent threw an egg of indubitable antiquity, which just missed Mr. Hughes, but a second from the same source broke upon his hat. A returned soldier threw himself upon

⁴³ Speech at Melbourne Exhibition, Nov. 28. Archbishop Mannix was by this time Archbishop of Melbourne, Archbishop Carr having died on 6 May, 1917. Some of Dr Mannix's speeches are reprinted in Mr Cyril Bryan's book, *Archbishop Mannix, Champion of Australian Democracy*

the egg-thrower, whereupon the station platform became the scene of a fierce fight. Fists and sticks and a varied assortment of missiles gave emphasis to the cries of rage. Mr. Hughes was in the centre of the disturbance, from which he at length emerged dishevelled, with bleeding knuckles testifying to his personal participation in the mêlée. When Mr. Hughes asked the police officer in charge to take action against his assailants, the officer (Senior Sergeant Kenny) refused to do so. Upon Mr. Hughes repeating his request as Attorney-General of the Commonwealth, the sergeant replied that he recognised the laws of Queensland and would act under no other. The Prime Minister then attempted to address the crowd, the policeman appealing to it to give him a "fair and square deal"; but after these sensational occurrences nobody was in the mood for listening to a speech.

Mr. Hughes despatched a strongly-worded telegram to the Premier of Queensland, Mr. Ryan, blaming the police at Warwick for the inadequacy of their arrangements and their indifference towards the chief instigator of the disturbance, who, it was alleged, after being ejected from the platform, was not placed under arrest, but permitted to return and resume the offensive. Mr. Ryan, in a frigidly polite letter, expressed his regret, and his hope that Mr. Hughes had not suffered any personal injury, but added that a preliminary enquiry showed that "the affair was not so serious" as Mr. Hughes's telegram indicated. But Mr. Hughes was satisfied that the police at Warwick had inclined in sympathy towards the unruly crowd. He therefore intimated his intention to form a Commonwealth police force. The very few officers subsequently engaged, however, could never have prevented so unexpected an occurrence as the unfortunate Warwick incident.⁴⁴

In all parts of the country there were disturbances at meetings held to support or oppose the policy of the Government. In some constituencies it was impossible for speakers to secure a hearing, and it required no small amount of courage and determination to face the angry crowds who surged into the halls where one human voice, endeavouring

⁴⁴ The jest of the day was that the Commonwealth had "one policeman." *The Commonwealth Year Book* for 1919 and 1920 overlooked even that one.

to develop an argument, was as ineffective as a sparrow twittering during a thunderstorm. On both sides there were outbreaks of violence, some of which were serious enough to be termed "riots" in the chronicles of the day. Some of these were caused by returned soldiers objecting to anti-conscriptionist statements or tactics, though an effort was made by the military authorities to hold these men in restraint and to impress upon them the obligation of giving fair treatment to "the antis." Thus, a Saturday afternoon anti-conscription demonstration in Melbourne was attacked by returned soldiers, with the result that there was a riot. The opposite faction was not behindhand; in North Melbourne a few days later some returned soldiers were assailed by anti-conscriptionists, and, despite their capacity for taking care of themselves, were roughly handled.

On both sides overstatement, exaggeration, attributing of unworthy motives to opponents, and all the customary features of excited political controversy characterised the campaign. The Reinforcements Referendum Council authorised the publication of a leaflet entitled *The Anti's Creed*, in which it was asserted that those who voted "No" held such beliefs as the following:

- I believe that men at the front should be sacrificed.
- I believe it was right to sink the *Lusitana*.
- I believe in murder on the high seas.
- I believe in the I.W.W.
- I believe in Sinn Fein.
- I believe in the murder of women, and baby-killing.
- I believe that Nurse Cavell got her deserts
- I believe that treachery is a virtue.
- I believe in general strikes.
- I believe in burning Australian haystacks.
- I believe in mine-laying in Australian waters.
- I believe in handing Australia over to Germany.

There were twenty-four items in this "creed," which can hardly have had the effect of winning the votes of intelligent persons for the "Yes" side. Virulent attacks upon Mr. Hughes were mingled with emotional appeals to the electorate to reject the proposal; and Mr. Hughes afterwards claimed it as a virtue that he had not interfered with the censorship

in regard to the publication of leaflets of this character, many of which "were grossly offensive, full of lying misrepresentations and statements calculated to affect recruiting." He instanced as specimens publications entitled *The Lottery of Death*, *The Blood Vote*, *Billy's Bulletin*, *Conscription and its Attendant Curse*, *The Curse of Cairo*.⁴⁵ The excitement of oratory produced many overstatements, such, for example, as that of Mr. Watt, who (November 29th) submitted to an audience that "any man or woman who voted 'No' was either ignorant or disloyal." In marked contrast was the forceful line of argument chosen by Sir William Irvine, who throughout had stood for conscription, but was able nevertheless to say in Parliament after the battle that "the position in which we find ourselves to-day is not entirely the fault of those who voted 'No.' As I have said on many platforms, the majority of the people who voted 'No' on the former occasion, as on this occasion, were not disloyal to the Empire."⁴⁶

A large number of sincere and devoted speakers and writers put the case for a "Yes" vote with force and clearness. They urged that Australia would be unworthy of her character for loyalty if she failed to provide the reinforcements necessary for maintaining the strength of the forces. Were the people of this country going to leave their soldiers in the lurch? Was the Commonwealth to be the first country on the side of the Allies to fail in fulfilling her responsibilities? In a great national emergency it was in accord with democratic principle that every man capable of bearing arms should do his duty, and it was no more undemocratic to use compulsion to raise forces for the defence of the political system to which Australia belonged, than to use it for any other purpose deemed desirable for the good of the nation. It was pointed out that Abraham Lincoln had insisted on conscripting the manhood of the northern states of America in defence of the Union, and had based his case expressly on its democratic character. Canada, New Zealand, and Great Britain had all adopted conscription by this time; and could Australia pretend to be more truly democratic than were the sister dominions and the mother

⁴⁵ *Parliamentary Debates LXXXIII*, p. 2944. ⁴⁶ *Ibid.*, p. 2974

country? Besides, the safety of Australia depended upon the victory of the Allies in the Great War. A German victory might well mean the loss of this country's liberty, since the victor would demand compensation in the form not only of a monetary indemnity, but also of territorial acquisitions. These and a hundred other arguments were developed forcefully from a thousand platforms throughout Australia. Mr Hughes, despite the weight of administrative work devolving upon him, did more to rouse enthusiasm for his cause than any other speaker. He undertook long journeys, working at official papers with his secretaries in railway trains, and addressing meetings at night, exhibiting always an apparently inexhaustible energy and fertility. Vehement, impassioned, always interesting, frequently moving, he pleaded and argued and lashed the opponents of his cause with a vituperation almost as rich as their own. As before, he inspired, through a committee in London, a vigorous but more cautious campaign overseas.⁴⁷

Comparable with the Prime Minister in respect to personal prominence during the campaign, though most fervently on the opposite side, was Archbishop Mannix. Both were the lightning conductors for much of the opprobrium that struck from the political sky; and, if that hurled at the archbishop was less extreme than Mr. Hughes's share, it was certainly no less malign in intention.⁴⁸ Dr. Mannix went forth to do battle expecting to evoke enmities. "On the last occasion," he said, "he offended a great many people, and he feared that he would have to offend every one of them again" (November 9th). In that purpose probably his expectations were fully realised. The speeches delivered by the archbishop during the six weeks between the announcement of the referendum and the voting did not contain an argument against the principle of conscription. He did not choose to approach the question from that aspect. That his speeches were lively and vigorous is shown by the plentiful parentheses in the reports, recording "sustained cheers," "great laughter," and

⁴⁷ The campaign among the soldiers was this time waged entirely in print.

⁴⁸ Archbishop Mannix, at St John's College, Sydney, 9 Mar., 1918: "Perhaps with one exception I am the best-abused man in Australia (A voice: "What about Billy Hughes?") "Of course, there is this difference between him and me, that he deserves what he has got and more, and I have not deserved any of the abuse that has been hurled at my head."

"great cheering," but they were addressed largely to the feelings of audiences which were readily and intensely moved. They were strong in ridicule and invective. The most was made of the inconsistent estimates of the recruits required to maintain the army, and of the misleading denials of any intention to form a sixth division. As has been already stated, although two brigades had been formed in the first half of the year, the project had been abandoned in June.⁴⁹ The original promise to form this division was not made public, the War Office having previously asked that such particulars should not be announced. Very unwisely, when the news leaked through from England, the Government denied it, and telegraphed a request that all such statements in the cables should be suppressed, as they were likely to have a bad effect on recruiting. The denial was, at best, a quibble. Dr. Mannix effectively produced a Christmas card which had been sent to him from an Australian camp in England, on which there was "a neat reproduction of the colours of the Australian divisions, including of course the famous sixth division (Loud applause)." He bitterly denounced the Prime Minister—"the little Tzar"—as one who had degraded his office and clouded the issue by "sectarianism and racial prejudice." He accused the conscription party of "petty juggling and trickery." He denied that the comparatively small force that Australia could send in addition to the armies she had already raised could make any material difference in a war wherein millions of men were engaged. He maintained that Australia was incurring financial obligations greater than she could bear, and represented that those who talked loudly about "the last man" adopted a much more subdued tone in speaking about "the last shilling." This was all skilful electioneering, and every point was driven home with remarkable force.

Archbishop Mannix insisted, however, that when he spoke upon conscription or any other political question he "did not speak as a priest or as an archbishop, but simply as an honest, straight and loyal citizen of Australia." Catholics, he said,

⁴⁹ Had conscription been subsequently adopted in Australia, it is just possible that the proposal might have been resuscitated by General Birdwood or by the War Office. On the other hand, as the increased drafts of reinforcements would not have begun to reach the front until the second half of 1918, and would then have to be used in preventing the disbanding of existing battalions, it is more probable that the project would have been allowed to die.

were likely to differ among themselves on this as on other questions, and they "had a perfect right to do so." But no feature of the second conscription campaign is more remarkable than that on this issue Archbishop Mannix was regarded as the mouthpiece of the Irish-Catholic element, not only of his own archdiocese, but throughout Australia. No other prelate was so patently invested with leadership, no other prelate drew upon himself such a volume of antagonism, with its compensating chorus of approbation.

Several times Archbishop Mannix proclaimed himself as anxious "to win the war" as any man. He claimed that "he had never said a word against voluntary recruiting."⁵⁰ He was "not opposed to sending the necessary reinforcements to our troops at the front, but they should go as volunteers and not as conscripts. The curse of conscription should never be placed on this young country."⁵¹ The greatest enemy of voluntary recruiting in Australia, he maintained, was Mr. Hughes. "Recruiting was going on very well in Australia until Mr. Hughes returned full of vanity, and started the first conscription campaign. That was the first blow to voluntary recruiting, and it was a blow from which it had never recovered." He admitted that "there was every justification for England coming into the war to protect Belgium and France, and to protect herself, but there was no justification for that country to go into the war, or to remain in the war, for the purpose of securing the economic domination of the world." If the war was for that purpose, "then," said the archbishop, "I am totally opposed to the war and to enlistment." To the objection that, if he was not opposed to voluntary recruiting, he had never advocated it, he replied that he did not conceive it to be within the duty of a priest to advise any man to go to war. On the other hand Monsignor Gilleran, the Vicar-General of Hobart, spoke at a recruiting meeting, and strongly advocated the sending of more reinforcements. Those who were concerned with the organisation of voluntary recruiting, however, had no doubt that the effect of Archbishop Mannix's advocacy was very seriously to diminish voluntary recruiting, and the rapid dwindling of the monthly figures did not move him to

⁵⁰ Report in *The Advocate*, 1 Dec., 1917

⁵¹ *Ibid*, Dec. 8.

any expression of regret. In several speeches Dr. Mannix dealt with the conscription issue in Australia and the Sinn Fein movement in Ireland, and his sympathy with the latter was no less emphatic than his condemnation of the former, while his audiences appear to have been equally enthusiastic concerning his handling of both. What he did not profess was that, while presenting himself as concerned with, and representative of, Australia and Australians, he was really concerned with a different loyalty—to Ireland and his conception of the Irish nation.

Many Irish and other Catholics were deeply offended by the archbishop's utterances, and were at pains to make public profession of their disavowal. Generally he permitted these utterances to pass unanswered. But, when Judge Heydon⁵² of New South Wales published a long letter to the press, Dr. Mannix turned upon him fiercely. The judge felt bound to say in behalf of his fellow Catholics, "who already suffer, and will suffer more through the indignation which is rightly felt at such teaching, that such hatreds and such treasons, though they may be cherished by individuals, are no part and no fruit of the Catholic teachings, but have their root quite otherwise."⁵³ Archbishop Mannix administered reproof by the disparaging remark that "people were under the impression that the person was a judge of the High Court. He was not; . . . he was a second or a third class judge of some kind or another." People in Sydney, he contended, did not take much notice of Judge Heydon, and "if he came to address the Catholics in Sydney he could not get as many to listen to him as would fit in a lolly shop."⁵⁴ As a matter of fact Judge Heydon was a well known and highly respected jurist and citizen. But this diversion was below the level of the archbishop's general controversial method. In Victoria Sir Frank Madden,⁵⁵ himself a Protestant, but member of an old Catholic family, denounced the archbishop as an enemy of his country, who was loyal only to Sinn Fein, and urged that the

⁵² Hon. Mr. Justice C. G. Heydon. M.L.C., N.S. Wales, 1893/1900; President, Arbitration Court of N.S.W., 1905/18. Of Pott's Point, N.S.W.; b. Sydney, 25 Aug., 1845. Died, 6 March, 1932.

⁵³ Judge Heydon's letter was published in *The Sydney Morning Herald*, and reprinted in *The Argus*, Nov. 19

⁵⁴ *The Argus*, Nov. 21.

⁵⁵ Sir Frank Madden. M.L.A., Victoria, 1894/1917. Solicitor; of Kew, Vic.; b. Cork, Ireland, 29 Nov., 1847. Died, 17 Feb., 1921.

Victorian Government should petition the Commonwealth to "deport Dr. Mannix and send him back to Ireland, where he could do no harm."⁵⁶ The attack was unfortunate for the maker of it, for there was a Victorian election a few days after the speech was made, and Sir Frank Madden lost his seat for Boroondara by 5,112 votes, after representing the constituency for twenty-three years and occupying the Speaker's chair in the Legislative Assembly for thirteen.

Leaders of other churches generally supported the conscription proposal, and the Church of England bishops in Victoria subscribed to a joint resolution recommending the people to vote "Yes" at the referendum. On the other side, a number of representatives of Protestant churches signed a manifesto headed "Conscription and Christianity," in which, on grounds of Christian principle, they strongly controverted the conscriptionist case. This manifesto was signed by the Rev. F. Sinclair (Free Religious Fellowship), the Rev. Dr. Charles Strong⁵⁷ (Australian Church), the Rev. E. Hope Hume⁵⁸ (Congregationalist), the Rev. F. Clemens⁵⁹ (Baptist), the Rev. A. Rivett⁶⁰ (Congregationalist), the Rev. W. H. Beale⁶¹ (Methodist), the Rev. B. Linden Webb⁶² (Methodist), the Rev. Arthur J. Prowse (Presbyterian), and Mr. W. Cooper⁶³ (Society of Friends). Mr. Prowse, a pacifist by principle, resigned from the stipendiary of his church, in order that his cloth might not deter the authorities from arresting and imprisoning him. "I think I entitled myself under the regulations to as much as 1,000 years' imprisonment," he writes, "but, alas, I failed of as much as a day. But at least I

⁵⁶ *The Argus*, Nov. 13.

⁵⁷ Rev. Dr. Charles Strong. Minister of Scots Church, Melbourne, 1875/83; Founder, and Minister of Australian Church, Melbourne, since 1885. Of Armadale, Vic., b. Daily, Ayrshire, Scotland, 26 Sept., 1844.

⁵⁸ Rev. E. Hope Hume. Congregational minister; of Deepdene, Vic., and Too-womba, Q'land; b. South Poole, Devon, Eng., 26 Feb., 1882.

⁵⁹ Rev. F. Clemens. Baptist minister, of St. Just, Cornwall, Eng., and Murrumbidgee, Vic., b. St. Just, 22 Dec., 1856.

⁶⁰ Rev. A. Rivett. Congregational minister in Victoria, Tasmania, and N.S. Wales, 1880/1924; Secretary, N.S.W. Peace Society, 1914/18. B. Norwich, Eng., 17 May, 1855. Died, 18 Nov., 1934.

⁶¹ Rev. W. H. Beale. Methodist minister, of Burwood, N.S.W.; b. Sydney, 1848. Died, 5 April, 1923.

⁶² Rev. B. Linden Webb. Methodist minister, of Bathurst and Hay, N.S.W.; b. Bathurst, 25 Nov., 1884. (Like Mr. Prowse, Mr. Webb resigned his ministry in 1917 on account of his views with regard to conscription. In 1919 he rejoined the ministry, having in the meantime engaged in poultry farming at Moss Vale, N.S. Wales.)

⁶³ W. Cooper, Esq. Manager for Cadbury Bros. Ltd, N.S.W. and Q'land, 1882/1901, General Manager in Australia, 1901/25. Of Killara, N.S.W.; b. Edmond, Shropshire, Eng., 16 March, 1856.

sacrificed all my means, gave up my livelihood, and started a bookshop (in Prahran) in advocacy of our principles."

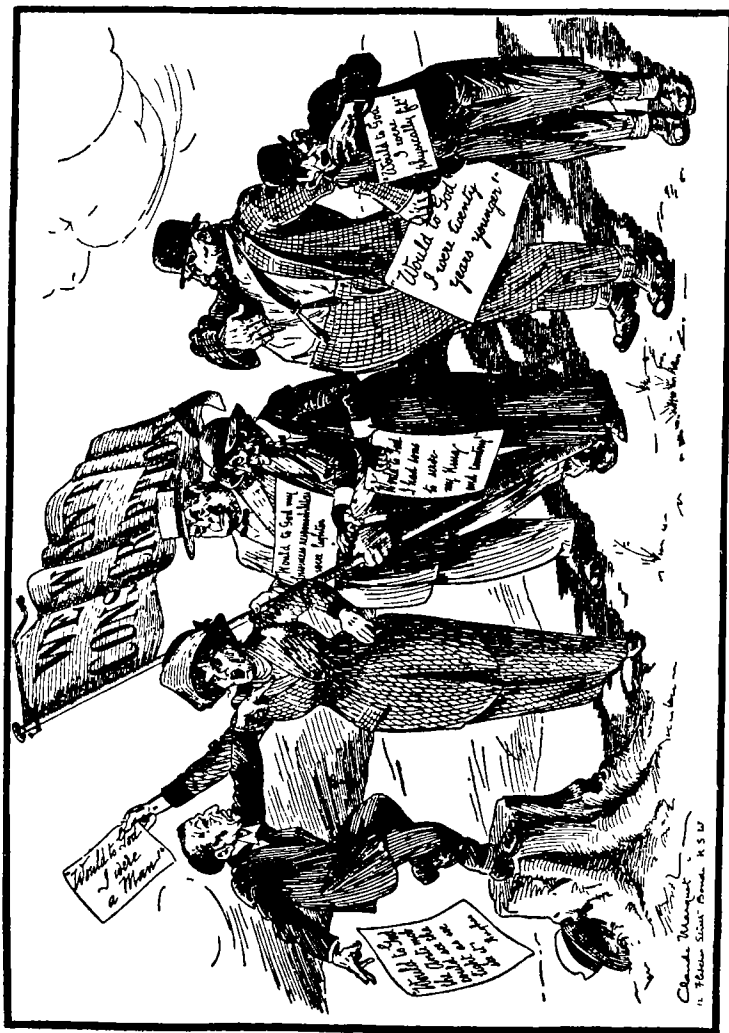
The printing presses of the Commonwealth produced a vast quantity of pamphlet and leaflet literature during the campaign. The rain of anti-conscription leaflets in all States probably exceeded in quantity any other downpour of printed matter in Australian history. It is doubtful whether a complete collection exists, but more than a hundred examples have been examined for the purposes of this book, including some pictorial appeals, and a reproduction of the Christmas card from the A.A.S.C. Training Dépôt, Parkhouse, England, showing the lozenge-shaped colour-patch of the 6th Division of the A.I.F. The authors included many well-known leaders on the Labour side of politics, among them Mr. A. W. Foster,⁶⁴ afterwards a Victorian county court judge, Mr. Frank Anstey, and Mr. Maurice Blackburn.⁶⁵ Some leaflets were reprints of the vigorous articles of Mr. H. E. Boote,⁶⁶ the editor of the *Sydney Worker*. The censorship was more severe during this campaign than during the previous one. For example the reprint in leaflet form of one article from *The Worker*—entitled "The Lottery of Death"—involved the proprietor of *The Advocate*, the Melbourne Catholic organ, in a fine of £20, because it had not been submitted to the censor in that city, notwithstanding that it had passed the censor in Sydney before it was originally published in *The Worker*. True, the magistrate who inflicted the fine said that the article "was an outrageous one, and any censor who passed it should be hounded out of office," but nevertheless the fact that the leaflet was no more than a reprint of an article previously authorised for publication was in itself a comment upon the vagaries of the censorship.⁶⁷ A large number of the anti-conscription leaflets contained the notification that "There is a famine in paper, pass this on," but the quantity of paper used must nevertheless have been enormous. Nor was the campaign without support from a

⁶⁴ Judge A. W. Foster. Judge of County Court, Victoria, since 1927. Of Sandringham, Vic; b. Beechworth, Vic., 28 July, 1886.

⁶⁵ M. McC. Blackburn, Esq. M.L.A., Victoria, 1914/17, 1925/34, Speaker, 1933/34; Member of C'wealth House of Reps, 1934. Barrister and solicitor; of Essendon, Vic; b. Inglewood, Vic., 19 Nov., 1880.

⁶⁶ H. E. Boote, Esq. Editor, *The Australian Worker*, Sydney since 1914. Journalist of Rose Bay, NSW; b. Liverpool, Eng., 20 May, 1868.

⁶⁷ *The Advocate*, 1 Dec., 1917.



THE LIGHT THAT FAILED.

VOTE NO.



Fraser & Jackson Printers,
243 Queen St. W., B.R.O.

For the National Executive,
J. CURTIN, Sec., Trades Hall, Carlton

33. A LEAFLET (BY C. MARQUET) ISSUED DURING THE CAMPAIGN AGAINST CONSCRIPTION

section of the returned soldiers. A Returned Soldiers' No-Conscription League was formed, and from its head offices at the Trades Hall, Melbourne, there issued a certain amount of literature. A leaflet proclaimed: "as free Australians we fought on the battlefields, as free Australians we will still fight on the political field with the object in view." A clever, bitter anti-conscription cartoon by Mr. Claude Marquet,⁹⁸ which attracted much attention, ridiculed those who were stigmatised at meetings as "the would-to-God-ers"—those who were alleged to deplore that "would to God" this or that impediment had not prevented them from enlisting.

Amid the din of controversy and the snow-storm of leaflets and pamphlets, one voice, which in former days had often possessed the power "the applause of listening senates to command," was stilled by affliction. At this time Alfred Deakin, one of the makers of the Commonwealth of Australia, and thrice Prime Minister, was smitten by the aphasia which made it impossible for any audience to hear again that impetuous eloquence which had thrilled multitudes in the years when he was actively engaged in politics. But he still followed the events of the period with unflagging interest, and the words which his tongue could not speak in his deep distress came to his pen. The last public statement Deakin made on any question was upon the issue submitted to the people at the end of 1917. His message was published on December 19th. It was short and simple in its appeal:

Fellow Countrymen—I have lived and worked to help you keep Australia white and free. The supreme Choice is given you on December 20th. On that day you can say the word that shall **keep** her name white and for ever free.

God in His wisdom has decreed that at this great crisis in our history my tongue must be silent, owing to my failing powers. He alone knows how I yearn, my fellow Australians, to help you to say that magic word which shall aid our gallant soldiers and save our civilisation.

My countrymen, be true to yourselves, to Australia, and to our great Empire. Let our voices thunder "Yes," and future generations shall arise and call us blessed.

God save Australia,

ALFRED DEAKIN.

At last the day of polling came, and before midnight the decision was apparent. It was understood that final figures

⁹⁸ C Marquet, Esq. Cartoonist, of Kurnell, N.S.W.; b Moonta, S Aust., 8 May, 1869. Died, 17 Apr., 1920.

could not be obtained for several days, but the incomplete returns then available made it plain that the country had for the second time refused to grant to the Government the compelling powers which had been sought. The final results were as follows:⁶⁹

Votes in favour of the prescribed question ..	1,015,159
Votes not in favour of the prescribed question ..	1,181,747

"No" majority ..	166,588
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These figures include the votes of the men on service and crews of transports. The voting by States is shown by the following table:

State.	Votes in favour.	Votes against.	Result.
New South Wales ..	341,256	487,774	No
Victoria ..	329,772	332,490	No
Queensland ..	132,771	168,875	No
South Australia ..	86,663	106,364	No
Western Australia ..	84,116	46,522	Yes
Tasmania ..	38,881	38,502	Yes
Federal Territory ..	1,700	1,220	Yes
	<u>1,015,159</u>	<u>1,181,747</u>	<u>No</u>

Thus Victoria had turned "No" by a slight majority. The solid vote for conscription in Western Australia was again remarkable, but even there the "No" vote had increased. As at the first referendum, the votes of Commonwealth electors on service were counted among the votes of the States to which they declared themselves to belong. Separating the recorded votes by members of the forces in Australia and overseas and crews of transports from those cast in Australia, the results were:

"Yes" ..	103,789
"No" ..	93,910
Affirmative majority ..	<u>9,879</u>

⁶⁹ A full analysis of the figures is contained in a report printed in *Commonwealth Parliamentary Papers, 1917-19, Vol. II*, pp. 1461-1589.

Among those actually on service overseas or on the way thither the "Yes" majority was slightly over 1,600. The opinion of the soldiers had slightly hardened against compulsory service between the referendum of 1916 and that of 1917, for while on the former occasion the percentage of affirmative votes to the total formal votes was 55.1, in the latter the percentage was 52.5. The distribution of the "on service" votes by States is shown in the following table:

	Votes in favour		Votes against.	
New South Wales	..	36,138	..	35,316
Victoria	29,576	..	25,778
Queensland	13,866	..	12,924
South Australia	..	9,701	..	8,087
Western Australia	..	11,006	..	8,374
Tasmania	3,502	..	3,431
		<hr/>		<hr/>
		103,789	..	93,910
		<hr/>		<hr/>

The anti-conscriptionists naturally exulted in their victory, which assured them that neither the Nationalist Government, nor any conceivable alternative to it, would exercise compulsion to secure recruits. Mr. Hughes was severely blamed by supporters of his own party for being himself a cause of the reverse. *The Sydney Morning Herald* urged that he had never been a conciliating influence, but had, by infusing unnecessary bitterness into the conflict by his personal attacks, courted defeat. It certainly was true that the Prime Minister did not spare his opponents. But, if he had allowed the invective hurled at him to remain unanswered in kind, it does not appear that the result of the referendum would have been different. No appreciable proportion of the voters who said "No" would have been won for the opposite side by the softest and most angelic pleading. The categorical negative was a consequence of the submission to popular voting of a question which, in the nature of things, invoked emotions adverse to military compulsion. But it is interesting to speculate what would have happened if the direct issue had not been complicated by one which was definitely foreign to it—the Irish question.

Another critic condemned the Nationalist party for insincerity in preferring to preserve the political advantage it had won at the previous general election rather than give effect to its professions:

The present most deplorable humiliation of Australia is a direct consequence of the fundamental insincerity of a "win-the-war policy" which did not demand power to put into effect the one method by which the party believed that such a policy could be made effective. The sweeping victory of the party at the polls made it certain that it could at least have put up a splendid fight for a free hand to carry on Australia's part in the war; even had it lost, it could have done much more in opposition for the welfare of Australia than it has actually been able to do in office. This statement is made with the fullest appreciation of all the strong arguments put forward as to the dangers of putting the industrial extremists of Labour into power during war time. Sound democratic theory and ordinary adherence to principle pointed one way; but faith in principle yielded to fear of the consequences, and the moral advantage of position began definitely to shift to the other side.⁷⁰

The conclusion is that the Nationalist Government was crippled by the pledge given by its leader during the 1917 election campaign, that no action in the direction of compulsory enlistment should be taken without a fresh appeal to the people by referendum. In giving that pledge Mr. Hughes confessed his feeling of insecurity about the result of the election. In the opinion of some even of his admirers his calculation on that point was in all probability as faulty as was his estimate that a fresh referendum would give the desired authority. According to their view, the feeling of the country at the election was distinctly distrustful of the Labour party, which was never weaker in the whole of its parliamentary history than at that time. They held that if Mr. Hughes and his Nationalist followers had refused to tie the hands of the Government in regard to recruiting, the probabilities are that the Government would have emerged from the contest victorious and with a free hand. Instead, it gained a fresh period of office, but, on what the Nationalist party professed to be the vital issue of the day, was shackled by the Prime Minister's pledge.

An interesting incident affecting the nationals of a foreign power, resident in Australia but still owing allegiance to their native country under its laws, occurred during the course of

⁷⁰ *The Round Table*, June, 1918, p. 630-1

the second referendum campaign. A fairly large number of Italians had migrated to Australia, attracted by the prospects open to them in the cultivation of sugar cane in Queensland. The census of 1921 showed that there were 4,903 Italians in Australia—the largest number of persons of foreign extraction, except Chinese, resident in the Commonwealth at that time. Most of these Italian sugar growers had prospered, and found life in Queensland much to their liking. In the second half of 1918, the Italian Government instructed the Consul, Cavaliere Eles,¹¹ to take steps to despatch from Australia all Italian nationals who were eligible for military service. He complained that the Federal Government did not co-operate with him in pressing them. He visited Brisbane to ascertain why his fellow-countrymen did not recognise the instruction to report themselves for embarkation; and he afterwards informed the Governor-General that Italians were being encouraged by the political supporters of the Queensland Government to resist mobilisation for the service of their country. On October 3rd the Commonwealth Government was induced to issue an order relating to the deportation of Italian reservists and conscripts, but Cavaliere Eles was gravely dissatisfied with it, because it enabled any Italian subject to ensure exemption from service on the authority of the Minister for Defence or of a competent naval or military authority. He challenged it also because, he said, it overrode an order given by the Italian Government in regard to its subjects. In the result, only about 500 Italians embarked. Cavaliere Eles made no secret of his annoyance. He called on the Governor-General, and said that in his opinion the Commonwealth Government had not assisted owing to its desire to avoid any further trouble with the Queensland Government. He estimated that nearly 4,000 Italian reservists and conscripts ought to have gone to the war; but, he said, the interests of the sugar trade were put before those of Italian defence.

¹¹ Cavaliere E. Eles Italian Consul for Australasia, 1913/19; b. Sinigallia, Italy 18 July, 1874.

CHAPTER XII

THE LAST MONTHS OF THE WAR

IF the Prime Minister's assertion of the intention of his Government—to "decline to take responsibility for the conduct of public affairs" unless given power to secure reinforcements by compulsion—had been less emphatic, and had contained a convenient conditional phrase, the political predicament caused by the referendum of 1917 would have been avoided. But it was a peculiarly hard and fast declaration, without the semblance of a limitation. Similar declarations were made by other members of the ministry. Mr. Hughes's "Merry Christmas," at his country home in the Dandenong Ranges a few days after the referendum, was therefore marred by the prospect of having to carry out his pledge by placing his resignation in the hands of the Governor-General.

Ministers and members of Parliament spent the traditional season of "peace and good will," both of which were conspicuously deficient at this time, at their homes, but in the first week of a hot Melbourne January they began to gather at the seat of government. Parliament was to meet in the second week of that month. Speculation as to what would happen kept political circles agog. Would Mr. Hughes resign after all? Would the Nationalist party insist upon keeping him to his undertaking? Would the whole ministry retire and give place to a fresh combination? If so, who would succeed as Prime Minister? During the opening days of the new year there glimmered upon the horizon a streak which seemed to presage storm. Sir John Forrest was reported--and the report was not afterwards denied--to be in disagreement with his colleagues, and there were commentators in the Nationalist journals who expressed doubts about Mr. Hughes's leadership. His Bendigo declaration was said to have been "gratuitous," and it certainly was now proving embarrassing. His virulence was pronounced injurious, and it undoubtedly had left a legacy of rancours. The Treasurer, it not prepared to revolt against Mr. Hughes's leadership, at all events made it known that at a Cabinet meeting held on January 2nd he had "refused to place himself

unreservedly in Mr. Hughes's hands."¹ He had never believed in the second referendum, and was now able to adopt an "I-told-you-so" attitude.

But, though Sir John Forrest had influential friends, and the "feeler" in his behalf was unmistakably put forth, it was soon seen that the Nationalists in Parliament were not prepared to throw over their leader. On January 3rd a full meeting of the party was held at Parliament House. Discussion was prolonged during five hours and, before it concluded, the following resolution was carried by 63 votes to 2: "That the Federal National party expresses its continued confidence in Mr. Hughes, and in view of the exceptional circumstances considers that in the best interests of the country and the Empire Mr. Hughes should retain the leadership of the party." The two dissentients, it was learned, were Mr. Fowler and Mr. Gregory,² both, like Sir John Forrest, Western Australian representatives.

Mr. Hughes was therefore sure of his party, and, for him, that was the key to the situation. There was some disagreement about tactics, but that was of minor importance. Sir William Irvine, while cordially supporting the leadership of Mr. Hughes, urged that, as it was evident that the leader of the Labour party, Mr. Tudor, could not form a ministry, there ought to be a general election, at which the Nationalist party should boldly pledge itself to conscription. But Mr. Kelly, the member for Wentworth, and others urged that the Labour party was then tending to a policy of non-participation in the war, and that it would be treachery to the Allies to permit it to appear to have even the chance of coming into office; and this opinion was the prevalent one on the Nationalist side.³

Still, the dissentients were busy, and, at an adjourned meeting of the party on January 4th, another name was put forward as an alternative to Mr. Hughes. Upon the first resolution passed on that day there was substantially no disagreement. It declared: "That this party, in view of the

¹ *The Argus*, 3 Jan., 1918

² Hon. H. Gregory M.L.A., W. Aust., 1897/1911; Acting Premier, and Treasurer, 1910/11, member of C'wealth House of Reps., 1913/40. Of Perth, W. Aust., and St Kilda, Vic., b Kyneton, Vic., 15 March, 1860. Died 14 Nov., 1940.

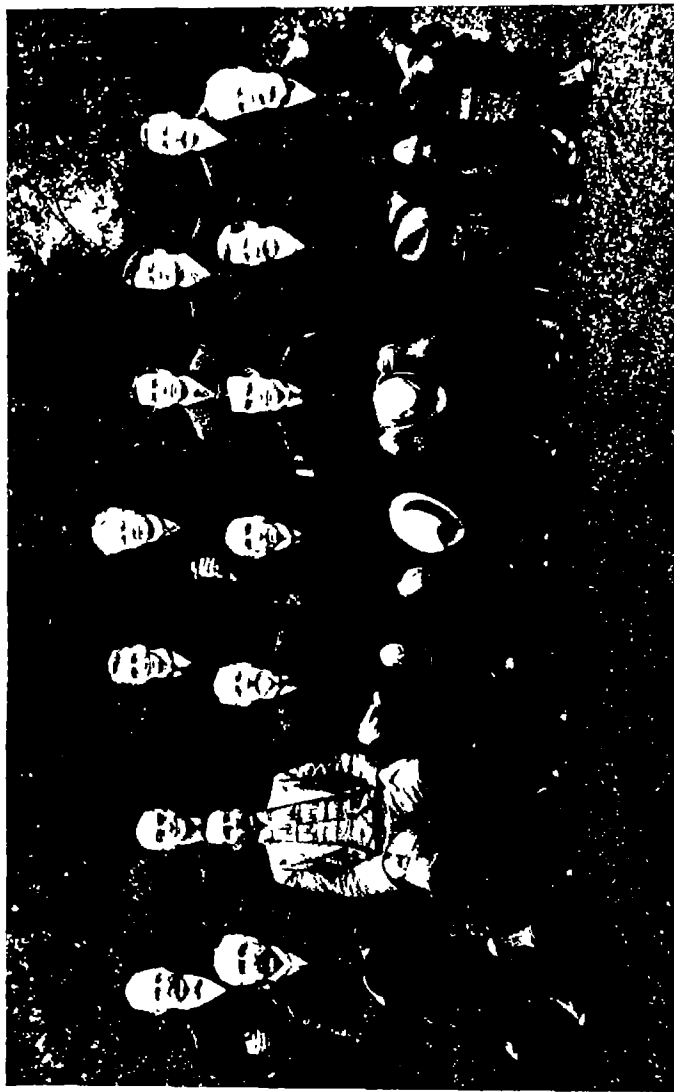
³ Mr. Kelly urged privately on his party the formation of a Nationalist government under a stop-gap leader, and suggested that Mr Wise, being an independent member of the group, should be chosen.

recent declared attitude of the official Labour party on the vital questions of the conduct of the war and peace, declares that in the interests of the country and the Empire it will not support any course of action that will hand the Government of the Commonwealth over to the official Labour party." But a second motion disclosed a larger anti-Hughes section than was apparent on the previous day. It was moved: "That this National party approves of the Government honouring the pledge it gave to the people that unless it got the power asked for it could not and would not carry on the government, by tendering its resignation, and that Mr. Austin Chapman⁴ be asked to form a Government." To this an amendment was moved in the following terms: "That the matter be left in the hands of the Government to take whatever steps it deems advisable to give honourable effect to the pledge given to the people of Australia." The amendment was carried; but there were seven dissentients. Mr. Hughes's hands, however, had been strengthened by the resolution. Not only had he a strong party at his back—though clearly not quite a solid party—but he was left free to make whatever moves he deemed desirable to attain the end which the Nationalist party clearly desired to reach: namely, to appear to give effect to the Bendigo pledge, and at the same time enable the existing Government to remain in office with the same Prime Minister presiding over it.

On Tuesday morning, January 8th, Mr. Hughes waited upon the Governor-General. An official announcement stated that he had tendered his resignation, but at the request of His Excellency would continue the administration pending the issue of a new commission. A memorandum afterwards communicated to Parliament by the Governor-General stated that Mr. Hughes "offered no advice as to who should be asked to form an administration." In the course of the day a succession of taxi-cabs deposited their political occupants at the doors of Government House. Next after Mr. Hughes came Mr. Tudor, who subsequently said that the Governor-General had asked him for advice, and that he had "made

⁴ Hon. Sir Austin Chapman, K.C.M.G., M.L.A., N.S. Wales, 1891/1901; member of C'wealth House of Reps., 1901/26; Minister for Defence, 1903/4; Postmaster-General, 1905/7; Minister for Trade and Customs, 1908, 1923/24, for Health, 1923/24. Of Braidwood, N.S.W.; b. Bowral, N.S.W., 10 July, 1864. Died, 12 Jan., 1926.

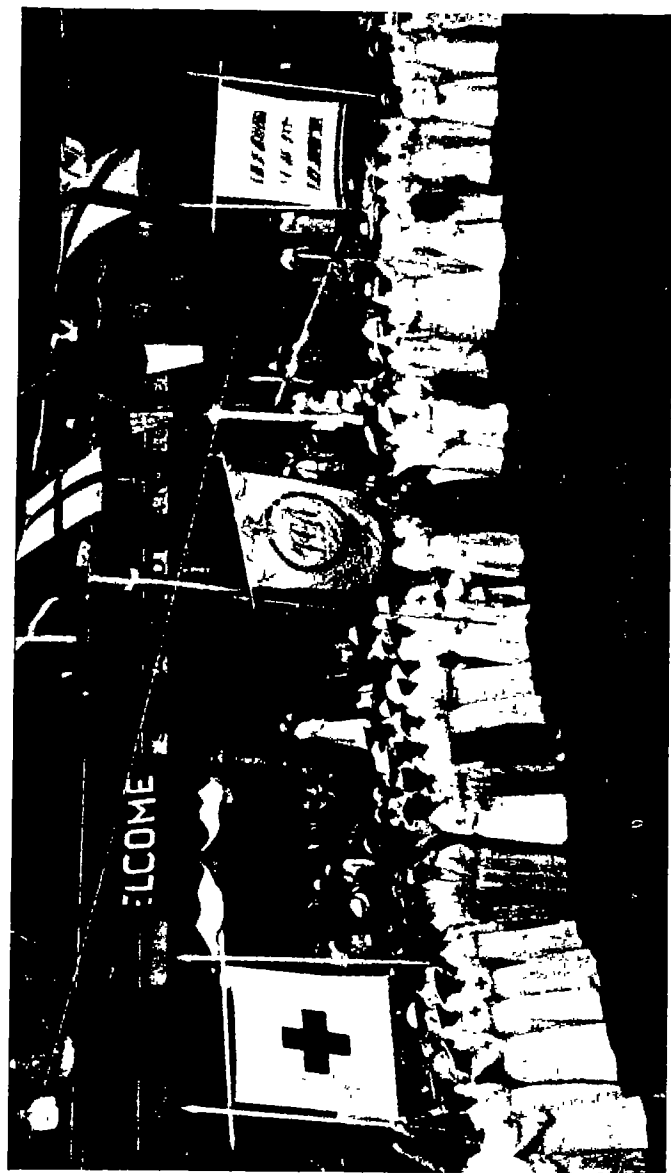
certain suggestions," but had not been commissioned to form an administration. As Mr. Tudor did not command a majority in either House, the difficulty involved in commissioning him to form one was apparent. Then in quick succession came Mr. Cook, Mr. Watt, Mr. Higgs, Mr. Poynton, and Mr. Wise, each furnishing his interpretation of the situation to the Governor-General, who himself had been watching the recent developments with the closest scrutiny. The person who stayed longest with His Excellency was Sir John Forrest. He arrived at Government House at a quarter past four in the afternoon, and did not leave till a quarter past six; and if there had been a record of his comments they would probably be more interesting than those of the other invited callers. We now know, from the *Novar* papers, that Sir John pressed his own claims to the Prime Ministership. The Governor-General informed the Secretary of State of the incident in these terms (15th January, 1918): "Sir John Forrest was the one dissident. He treated the practically unanimous vote of confidence given at the party meeting to Mr. Hughes, in which he had joined, as *une politesse*, having no practical significance. He denounced the Prime Minister's autocratic ways, frequently reiterating the phrase *aut Caesar aut nihil*, his want of method in the conduct of affairs, and asserted that all real business was hung up in favour of limelight exhibitions on the platform. Sir John ended by offering his services to form a Government, and in support of his claim pointed out his popularity with all classes, including Roman Catholics, the absence of hostility to him personally among the Labour members, and his long experience in the public service." The Governor-General confessed that he had thought "that one of the most promising solutions of the problem would have been a Forrest administration," provided there was a reasonable prospect of its being approved by the majority in the House of Representatives. "I therefore again sent for Mr. Cook and Mr. Watt, and told them of Sir John's offer, and asked whether they considered there was any chance of his securing an adequate following. Both gentlemen were uncompromisingly of opinion that he could not form an administration, and stated that he had lost rather than gained ground in recent years."



34 THE SECOND NATIONALIST GOVERNMENT, 1918

Back row (left to right): Hon A Poynton, Hon G H Wise, Hon W Massy Greene, Hon J A Jensen, Hon R B Orchard, Hon E J Russell, Hon L E Groom. *Front row:* Hon P M Glynn, Hon G F Pearce, Rt Hon Sir Joseph Cook, Rt Hon W M Hughes, Hon W A Watt, Hon E D Mullen, Hon W Webster (Lord Forrest was Treasurer from January to March 1918)

*By permission of the Commonwealth Government.
Aust War Memorial Collection No 42823*



35. A DEMONSTRATION OF WELCOME AT TAMWORTH, NEW SOUTH WALES, TO THE RECRUITS
IN THE "MARCH TO FREEDOM" COLUMN, MAY 1918

Lent by *The Sydney Mail* "

To face p. 435

After dinner, the Governor-General sent for Mr. Hughes again and commissioned him to form a new administration. The dominant party in Parliament had signified that it maintained the leadership of Mr. Hughes, and consequently no other leader could have commanded a majority. The only other possibility, a dissolution, was not seriously desired by any considerable number of members of Parliament.

Technically the ministry which Mr. Hughes announced to Parliament on January 10th was, as he said, "a new Government," and it ranks as the fourth Hughes—or second Nationalist—ministry; but it was in fact the self-same Government as had just resigned. "*Plus ça change, plus c'est la même chose*" The Governor-General, in the unusual circumstances which conduced to this strange result, deemed it desirable—at the suggestion of Mr. Hughes—to send to Parliament a memorandum setting forth his interpretation of the facts. His Excellency said:

On the 8th of January the Prime Minister waited on the Governor-General and tendered to him his resignation. In doing so Mr. Hughes offered no advice as to who should be asked to form an administration.

The Governor-General considered that it was his paramount duty (a) to make provision for carrying on the business of the country in accordance with the principles of parliamentary government, (b) to avoid a situation arising which must lead to a further appeal to the country within twelve months of an election resulting in the return of two Houses of similar political complexion, which are still working in unison. The Governor-General was also of the opinion that in granting a commission for the formation of a new administration his choice must be determined solely by the parliamentary situation. Any other course would be a departure from constitutional practice, and an infringement of the rights of Parliament. In the absence of such parliamentary indications as are given by a defeat of the government in Parliament, the Governor-General endeavoured to ascertain what the situation was by seeking information from representatives of all sections of the House with a view to determining where the majority lay, and what prospects there were of forming an alternative Government.

As a result of these interviews, in which the knowledge and views of all those he consulted were most freely and generously placed at his service, the Governor-General was of opinion that the majority of the National party was likely to retain its cohesion, and that therefore a Government having the promise of stability could only be formed from that section of the House. Investigations failed to elicit proof of sufficient strength in any other quarter. It also became clear to him that the leader in the National party, who had the best prospect of securing unity among his followers, and of therefore

being able to form a Government having those elements of permanence so essential to the conduct of affairs during war, was the Right Honorable W. M. Hughes, whom the Governor-General therefore commissioned to form an administration.

On the following day the Leader of the Opposition brought before the House of Representatives a vote of no-confidence. Mr. Tudor maintained that the pledge given by Mr. Hughes, and echoed by some of his most prominent supporters, should have been honoured "not in the breach but in the observance," even if it meant bringing the Opposition party into power, or a dissolution.⁵ Mr. Hughes's answer was that he had fulfilled the pledge when he handed his resignation unconditionally to the Governor-General. "What I meant by the pledge," he said, "was—Tudor or me. What my colleagues meant was—the Nationalist party or the official Labour party!" But there was no way in which the official Labour party could govern the country without a majority in Parliament, and in fact the majority was not prepared to support them. The Governor-General, "in a way almost unprecedented, exhausted every effort to obtain information as to the state of the House," and declined to give the Leader of the Opposition a commission, either with or without a dissolution. Finally His Excellency "came back to me and asked me to accept a commission."⁶ After a long debate the motion was negatived by 43 votes to 19, a decision which set the seal of the House of Representatives' approval upon Mr. Hughes's course of action and upon the Governor-General's handling of the situation.

In making the announcement to Parliament Mr. Hughes said that experience led him to the conclusion "that certain changes in the Government must be made in the near future with a view to strengthening it and making it more efficient to meet the increasing pressure of war duties and those economic and other conditions arising out of the war"; and at a later date (April 4th) he announced his intention to make a statement as to a reconstruction of the ministry. This statement was made by Mr. Cook—Mr. Hughes being absent through illness—on April 10th. The changes in personnel were effected before the last-mentioned date. In February a peerage was conferred upon Sir John Forrest, with the

⁵ *Parliamentary Debates LXXXIII, p. 2925.*

⁶ *Ibid. 2941.*

title of Lord Forrest of Bunbury, who thus became the only Australian peer—that is to say, the only citizen ever raised to the peerage on the recommendation of any Australian government. Although the newspapers published congratulatory articles, the innovation was not popular among Australians, even though it was widely known that the title would not be passed on since Lord Forrest had no children. It is probable that only his great personal popularity prevented more general objection than was actually raised. The bluff old leader was not long to enjoy the honour. He retired from the Treasurership in March, intending to go to England and take his seat in the House of Lords. But he was seriously ill when he left Australia, and died at sea. Lord Forrest's retirement led to the appointment of Mr. Watt to the Treasurership on March 27th. Mr. Watt's old department was taken by Mr. Groom, and four assistant ministers were appointed, namely, Messrs. A. Poynton, W. Massy Greene, R. B. Orchard, and G. H. Wise. Otherwise the membership of the Ministry was unchanged.

II

The failure of the second effort to secure from the electorate compulsory powers necessitated making much greater exertions to obtain recruits by voluntary methods, and Mr. Orchard was taken into the Cabinet with the intention that a Department of Recruiting should be organised, of which he was the Minister. Mr. Donald Mackinnon continued to be Director-General of Recruiting, with a new department of State to back up his efforts. Both the Minister and the Director-General were unsparing in their efforts, and both were energetic and resourceful men. But they had a task which, difficult as it was before the second referendum, was much more difficult now. The referendum itself had intensified bitterness of partisan feeling, and stiffened the reluctance of many who could not dissociate the war from the Commonwealth Government then in being. That Government, also, was accused of insincerity of purpose in retaining office after its head and leading members had frequently and emphatically declared that they would not continue to govern

without the powers which they had solicited. The Director-General was of opinion that both these points of view had an injurious effect upon recruiting, and his estimate was most probably correct. The enlistment figures, from the beginning of 1918 till recruiting ceased with the conclusion of the war, tell the tale of decline at a glance:

January ..	2,344	July ..	2,741
February ..	1,918	August ..	2,959
March ..	1,518	September ..	2,451
April ..	2,781	October ..	3,619
May ..	4,888	November ..	1,124
June ..	2,540		

The shortage of infantry reinforcements was now such that special enlistment in the light horse, transport, or other branches except flying corps, siege artillery, railway, wireless, and some dental and medical units was no longer allowed. Recruits were henceforth enlisted for "general service," to be allotted to infantry, light horse, artillery, and other branches as required.

The sudden jump from the 2,000 level in April to 4,888 in May was the result of the Governor-General's specially summoned conference of representatives of many parties and interests following on the "big drive" made by the Germans on the Western Front in March and April, after the Russian collapse. Again, the Australian victories in France in the second half of the year—the smashing attack of August 8th, on the Somme, the capture of Mont St. Quentin on August 31st, and the storming of the Hindenburg Line on September 19th-October 5th—account for the improvement in those months. These were events meet to stir the fighting spirit of youth, and a report of the Director-General commented upon the "splendid recruits," who, though "lads in age, were well developed and full of enthusiasm." But the irreconcilable differences evoked by political feeling were always "a disturbing and discouraging factor"; and these went deep and soured tempers beyond the power of persuasion to influence them.

A question that was carefully considered in 1918 was the possibility of lowering the standard of physical fitness required in the A.I.F. The standard required for the Australian infantry at this time was—age 18-45 years, height minimum 5 feet,⁷ chest minimum 33 inches. In the British Army by 1916 all standards except that of medical fitness appear to have been abandoned, and as to this the medical board was the sole judge. The medical authorities of the A.I.F. oversea had throughout been insistent on the admission only of really fit men; and the consequent rejection and return by them of a large number of reinforcements⁸ who had been passed as "fit" in Australia had become a matter of acute conflict between the Director of Medical Services of the A.I.F. at the front, Surgeon-General Howse,⁹ and the Director-General of Medical Services in Australia, Surgeon-General Fetherston.¹⁰ How strictly the authorities in Australia endeavoured to eliminate unfit men is shown by the statement of Mr. Mackinnon that, to the best of his belief, during his régime up to this time over 50 per cent. of the volunteers had been rejected. The medical authorities in Australia, for their part, found many men, apparently perfectly fit to fight, returned to Australia, some even before they had served at the front, and the complaint went about that men were not wanted at the front. Recruiting was thus discouraged, and it was asked whether the oversea authorities could not find some work, preferably in France, for men whom they found to be slightly below the standard required for the trenches. Partly in order to settle these matters, General Fetherston was in February, 1918, sent to London and France. The War Office, which meanwhile was

⁷ The height (originally 5 ft. 6 in.), had been reduced in Feb., 1915, to 5 ft. 4 in.; in May, 1915, to 5 ft. 3 in.; in July, 1915, to 5 ft. 2 in.; and in April, 1917, to 5 ft. The chest measurement was reduced to 33 in. in Feb., 1915. In the South African war the physical standard for the N.S. Wales infantry was—height 5 ft. 7 in., chest 35 in., and for many of the mounted troops height 5 ft. 6 in., chest 34 in.

⁸ The number so rejected in 1917 was 1,745, or 3.3 per cent. of the reinforcements who left Australia.

⁹ Major-Gen. Hon. Sir Neville Howse, V.C., K.C.B., K.C.M.G., A.D.M.S., 1st Div., A.I.F., 1915; D.D.M.S., 1 Anzac Corps, Sept./Dec., 1915; D.M.S., A.I.F., 1916/19; D.G.M.S., Australia, 1921/24; Minister for Defence (1925/27), Health (1925/27 and 1928/29), Home and Territories (1928), Repatriation (1928/29). Medical practitioner; of Orange, N.S.W.; b. Stogursey, Somerset, Eng., 26 Oct., 1863. Died, 19 Sept., 1930.

¹⁰ Major-Gen. R. H. J. Fetherston, V.D., D.G.M.S., Australia, 1914/18. Medical practitioner; of Prahran, Vic.; b. Carlton, Vic., 2 May, 1864.

consulted by the Defence Department, was altogether favourable to the proposal to enlist men of higher age or lower physical standard for special services. General Birdwood and the staff of the A.I.F., however, were strongly swayed by the advice of Howse not to leave any loophole through which unfit men could enter the A.I.F. It was probably feared that any relaxation of the precautions would result in a deluge of reinforcements below the required standard. Birdwood accordingly replied that, while the precise standard of physical fitness necessary for supporting the rigours of the campaign must be a question for determination by medical men, he wanted to be sure that all his men were fit for that campaign. Experience had shown that it was unwise to enlist for it men over the age of 41, and that all must be of sound physique. As for finding work for men unfit for the front, this was to some extent done within the A.I.F. in the case of soldiers who had become unfit for fighting; but he did not want the policy extended to allow such men to labour for the British Army. It would be sounder economy, he urged, to provide for that purpose fit labourers, in special "employment companies," if the Government desired to do so.

The Australian Government decided to adhere to its present age limit, 45, but asked Fetherston to confer with the War Office as to the other standards necessary for "general service" recruits. Birdwood and Fetherston, however, agreed that the War Office standard was so much below the Australian that such conference would be useless. A suggestion from Australia that labour battalions should be sent was rejected by both the War Office and Birdwood as uneconomic.¹¹

The recruiting position had to be carefully reviewed, and for this purpose the Government in February called upon the Director-General for advice. Mr. Mackinnon furnished a report which, as it so clearly demonstrated the injurious effect of political differences upon recruiting, and was the fruit of so much experience, needs to be quoted extensively. It was dated February 7th:—

Those who have been separated by the compulsory service issue must be brought together and induced to co-operate towards the

¹¹ The War Office said that it had then (July, 1918), as many labour troops—Chinese, Indian, South African, and other—as it required.

common end—the supply of necessary reinforcements. Unless this is done it is unlikely that more than 2,500-3,000 men a month can be induced to enlist, and even this result will only be obtainable at an increasing expense and with continuous and untiring energy as months go on. As far as I am able to judge (after making careful enquiry in available and proper quarters) the only basis on which co-operation has any prospect of success is as follows:

1. Compulsory service must be absolutely and finally laid aside, and the public must be convinced that this is a fact.

2. Those who are to co-operate must agree as to the approximate number of men required by way of reinforcements

3. To secure complete and hearty co-operation in the present temper of the people (and anything less than this spells failure), certain political readjustments must be made. (This condition applies more to the States of New South Wales and Queensland than to the other States of the group, but I believe the sentiment is strong in all the States, and not likely to modify for a year or two.) Failing readjustments, the whole business of obtaining recruits must be removed from Government and military control and placed in neutral hands. During 1917 the work was continually hampered by political exigencies and party differences.

Unless these three conditions are satisfied, co-operation is hopeless, and will be a failure to obtain the number of men that seems to be requisite. These things are urgent and should be dealt with at once.

Reviewing the recruiting campaign of 1917, the Director-General's report proceeded:—

The scheme was well launched, but from the first many regarded our effort as a forlorn hope. We were never able to create the conditions which are essential to complete success in any voluntary effort, namely, hearty co-operation. Those who supported conscription at the 1916 referendum were disheartened. Those who turned down conscription in favour of voluntary recruiting never gave us much help. At best their help was far less than they gave in 1916. The press began well, but in Victoria they soon showed that they were after conscription, and their references to voluntary recruiting were of a despairing and even belittling nature. They were never hopeful, and by the middle of the year they did all they could to make the effort a failure. In April the New South Wales election took place, and it was largely a conscription fight; so much so that the Government, in order to save its skin, had to disavow all connection with conscription. This pledge became exceedingly embarrassing at a later stage. While it lasted, this election campaign interfered seriously with recruiting in New South Wales, but as the State was well organised with Win-the-War Leagues, having a membership of 250,000 persons, the New South Wales enlistments were kept going. In May the Federal elections took place. This unsettled us generally. The identification of our recruiting organisation with the Win-the-War party led to dissension and apathy. In July-August a serious industrial crisis involving the eastern States caused inevitable unrest and division among classes. An agitation for conscription next arose in Queensland, and the local committees there became completely

demoralised. Early in October the same movement spread to New South Wales, being organised by the Universal Service League—largely an academic body. I believe there was some connection between the earlier Queensland movement and the New South Wales movement. The organising secretaries of both these States became mixed up in the movement. Those interested managed to secure the co-operation of the Sydney press and forced the referendum issue, which was put to the test on December 20th. I have no hesitation in saying that the disturbed political atmosphere created by these unusual events was, if not fatal, at least a heavy handicap to our efforts.

The risk of the waste of expenditure and energy made me hesitate to encourage special efforts in recruiting. Any failure with a new idea creates much discouragement among voluntary workers and destroys the spirit of the recruiting organisation. The conscriptionist press were only too eager to give prominence to the failure of special efforts. During 1917 nearly every device which could attract volunteers was tried; some of these are played out, others are permanently effective. Some which yet remain to be tried will cost more money and require closer organisation than seemed necessary in 1917. . . .

I am satisfied that the position which was created by the last referendum is to a large extent of a personal nature. The vote was also undoubtedly influenced by the industrial crisis, and it would be a mistake to assume that the vote is in any way an indication of the attitude of the great majority of the people towards the war. I am certain, too, that the attitude of the soldiers who are abroad—as disclosed by their vote—has influenced public opinion, and renders any proposal to re-submit compulsory service to a popular vote an impossibility. It is realised that, as the commissioned officer class, and probably the non-commissioned officer class, may be assumed to have voted almost unanimously in favour of conscription, a large majority of the rank and file must have turned it down. The soldiers' vote gives support to the view that more men are not needed. I find also that letters written by private soldiers to their people stating that further reinforcements were not required, have influenced opinions here since the vote. In Tasmania I came across several cases of this sort.

It is unfortunate that what may be called the figure side of the controversy should have become so prominent, but this was obviously inevitable. The heavy demand with which we set out at the commencement of last year, namely, 16,500 men a month—something which was quite impossible of attaining—discouraged many zealous workers who were oppressed by the size of their task. Subsequently, when the quota was reduced to 7,000 a month, a feeling of uncertainty or even insincerity was established. The official figures published last November by authority, and the interpretation put upon them, caused no little confusion in the public mind, and especially among those who were inclined to be dubious and sceptical in any case.

The report insisted that until these matters were cleared up there would be no useful co-operation for securing reinforcements. It was necessary to ascertain and definitely fix how many men were required during the ensuing twelve

months. Accurate lists of eligibles should be prepared, preferably by compulsory census. Men should be enlisted for eighteen months' or two years' periods; "the endless nature of the term undoubtedly hindered enlistment." A quota should be fixed for each district, and a system of voluntary balloting introduced to fix the time of enlistment. Suggestions were also put forward for making service more attractive, for stimulating public enthusiasm, and for organised canvassing, preferably by returned soldiers. The Director-General favoured retaining the local committees, since they would be essential to any scheme of district quotas. Their defect previously had been that their members were disposed to take sides in politics, but since the last referendum there was evident "a marked disposition to sink political considerations and enter heartily into the work."

It will be seen that this report stressed two main causes of the decline of recruiting: first, the bitterness of political feeling evoked chiefly by the conscription campaigns, which, for many, obscured the paramount importance of the war—through their inevitable hostility to the Government which was responsible for maintaining Australia's part in the war; and, second, the unfortunate confusion as to the number of recruits required to reinforce the Australian divisions, together with the rumours, asserted, denied, and reasserted, as to the intention not merely to maintain the existing divisions but to raise a fresh one, with its monthly quota of recruits. Whether the Director-General over-emphasised the importance of this consideration is necessarily a matter of opinion, but he had exceptional sources of information, and it was his business to make himself acquainted with the undercurrents of feeling which hindered recruiting. From that point of view, his opinion must command respect. To meet these two difficulties, two fresh influences were brought to bear. The Chief Justice of Australia, Sir Samuel Griffith, was commissioned to conduct an enquiry as to recruiting requirements for maintaining the existing divisions; and the Governor-General summoned an important and representative non-party conference.

The Chief Justice, acting as a Royal Commissioner, presented his report on 14th March, 1918. He found that up to the 31st of December, 1917, the total number of enlistments was 387,926. Of these, 68,937 were discharged or deserted or died before embarkation. The embarkations for Egypt or Europe numbered 308,776, and for New Guinea 2,077, while 8,136 were still in training in Australia. Of the 308,776, 42,156 had died, 3,893 were prisoners or missing, and 50,609 had returned to Australia, leaving 212,118 still on the strength abroad. That number was accounted for as follows:

At sea, embarked during November and December, 1917	8,383
In Egypt and Palestine, including dépôts and hospitals	18,432
In Mesopotamia	413
In France, with units	108,236
In England, including dépôts and hospitals ..	66,191
At sea, returning to Australia	6,017
	<hr/>
	207,672
Discrepancy accounted for by troops in hospital in France and in transit from base to front and <i>vice versa</i>	4,446
	<hr/>
	<u>212,118</u>

The actual oversea establishment, "which is the number to be kept up so far as practicable," was declared to be as follows:—

In France (all ranks)	110,517
In Egypt (including Palestine)	16,908
In Mesopotamia	321
	<hr/>
	<u>127,746</u>

The last-cited figure was that which, in the opinion of the Chief Justice, it was necessary to maintain. He calculated the wastage on the basis of the 1917 statistics, which gave an average of 4,300 per month. But experience showed that

about 25 per cent. of the men enlisted did not reach the field armies, this proportion of wastage being due to death, discharge, desertions, and various minor causes. To secure an effective reinforcement of 4,300 men per month, it would be necessary to enlist 5,400 per month, in addition to the number required to make up an existing deficiency, namely, about 34,000.

The task of those responsible for recruiting during 1918, therefore, was to raise a total of 98,800 men, or an average of 8,233 per month, but the lower figure—5,400 per month—was generally aimed at. Actually, in the first six months of 1918, the total enlisted was 15,989, or less than the number required for two months.

III

Precisely a week after the delivery of Sir Samuel Griffith's report came news of the overwhelming attack made by the Germans on 21st March, 1918, against the British Army at its junction with the French. A crushing mass of German divisions pushed back the right flank of the British Expeditionary Force, past Bapaume and Péronne, over the dearly-won wilderness of the old Somme battlefield, until the enemy seemed to have the city of Amiens within his grasp, and to be on the point of isolating the British Army from the French, and possibly reaching the Channel coast between them. Sir Douglas Haig issued on April 11th his famous appeal to his men:

. With our backs to the wall and believing in the justice of our cause each one of us must fight on to the end. The safety of our homes and the Freedom of mankind alike depend upon the conduct of each one of us at this critical moment.

On April 1st Mr. Lloyd George, on behalf of the British Government, which was itself introducing a new military service bill raising the military age limit to 50—and in some cases to 55—sent to the Australian Government the following appeal, a similar one being despatched to each dominion:

As already announced we propose to ask Parliament to authorise immediate measures for the raising of fresh forces here. I would also urge the Government of Australia to reinforce their heroic troops in the fullest possible manner, and with the smallest possible delay. Let no one think that what even the remotest of the Dominions can do now can be too late. Before the campaign is finished, the last man may count.

The Government having now definitely abandoned the intention to raise reinforcements by conscription, and it being evident that partisan feeling was a serious deterrent, it was necessary to stimulate voluntary recruiting by an effort from a source to which, fortunately, no suspicion of partisanship attached. The Governor-General had watched developments with grave anxiety. He had an unstinted admiration for the Australian soldier, and understood the temper of the Australian nation. He had travelled extensively throughout the Commonwealth, and had a happy, quickly-responsive way of putting himself in friendly relations with all conditions of people. It was evident from the recruiting figures of the first three months of 1918 that the best efforts of the Director-General of Recruiting and his helpers were meeting with disappointment. The Governor-General concluded that the circumstances warranted him in taking an unusual course which had been suggested by Captain Carmichael,¹² a former member of the New South Wales ministry—that of inviting representative men of all sections to take part in a conference at Government House, Melbourne, to see whether a concentrated effort could be made to drop party differences and concentrate upon a general effort to keep the Australian armies up to strength. All doubt about the number required had now been cleared away by the Chief Justice's investigation. Statistical evidence showed that the providing of 5,400 men of good physical standard per month was not beyond the capacity of Australia. Ministers consented to the Governor-General's making the proposed move, and he sent out telegrams in the following terms—

I invite your attendance at a Conference representative of all parties to be held at Government House, Melbourne, on April 12th, at 11 a.m., to consider the appeal made by the Imperial Government for additional men, and thereafter to endeavour to reach unanimity in favour of common policy in which all may co-operate in a supreme effort to provide adequate reinforcements for Australian Imperial Force

R. M. FERGUSON.

¹² Capt Hon. A. C. Carmichael, M.C.; 36th Bn., A.I.F. Minister of Public Instruction, N.S. Wales, 1911, 1912/15, Minister for Labour and Industry, 1911, 1912/13. Public accountant, of Sydney, b. Hobart, 19 Sept., 1871. (In 1915/16 he had helped to raise the 36th Bn.)

This invitation was sent to the Premiers and Leaders of the Opposition in all the States, and to the following public bodies: the president of the general council of employers of Australia; the presidents of the employers' federations in each State; president and secretary of the United National Federation; president of the Queensland National party; presidents of the Nationalist federations of New South Wales, South Australia, Western Australia, and Tasmania; presidents of the Labour party in Victoria, New South Wales, Queensland, Western Australia, South Australia, and Tasmania; president of the New South Wales Labour Council; president of the South Australia Trades and Labour Council; industrial president, Western Australia Federation of Labour; presidents of the Trades and Labour Councils of Tasmania, Queensland, and Victoria; president of the Grand Federal Council of Labour; president and secretary of the federal executive of the Australian Labour party.

A very few replies contained refusals. Thus, the secretary of the Industrial Council of Queensland replied: "This Council considers the time has arrived when slaughter in Europe should cease; instead of sending recruits, peace by negotiation must be first consideration." The secretary of the Tasmanian Trades and Labour Council telegraphed: "Hobart Council not favourable to sending representative to Recruiting Conference; also not favourable to sending further men from Australia."¹³ But practically all those invited sent acceptances. A cordial willingness to help was indicated by the Victorian Amateur Athletic Association, which informed the Governor-General that: "If in the opinion of the Conference the continuance of competitive sport in its various branches is a deterrent to recruiting, the Association considers that all competitions should be suspended. The Association would gladly assist in any movement which, while curtailing competitive sport, would provide facilities for non-eligibles to

¹³ Trade unions were not invited individually, but the following letter from the secretary of the Confectioners' Employees' Union implied support of the objects of the conference: "That this special meeting of the Female Confectioners' Union welcomes the proposed conference now convened by His Excellency, and wishes to assure him that if he desires a common policy to supply reinforcements to the Australian Imperial Force it is impossible for the Union to join in, and that he be asked to receive a deputation so that he may learn first hand why the industrial girl cannot."

take part in those athletic exercises which have done so much to build up the manhood of Australia, without attracting crowds of spectators."

Not only was the conference called in the name of the Governor-General, but he took the necessary organising steps. This fact influenced the attitude of Mr. Tudor, who stated more than once in the course of the discussions that if it had been called by the Government he would have taken no part in it. The point is of some interest as affecting the discretion of the representative of the Crown in a matter which was admittedly of more than Australian concern. That the Governor-General acted with the concurrence of his ministers is of course true. If they had disapproved, the conference would not have been held, but it was favoured both by ministers and by the Leader of the Opposition.

The conference, which sat for seven days, commenced business on Friday, April 12th, when there were forty persons present. These included Mr. Cook and Senator Millen, representing the Commonwealth Government, while Mr. Tudor and Senator Gardiner represented the Federal Parliamentary Opposition. Practically all the State Labour organisations were represented: New South Wales by Mr. Lambert,¹⁴ president of the State Labour party, and Mr. Morby,¹⁵ president of the Grand Federation of Labour; Victoria by Mr. Scullin, president of the Victorian branch of the Labour party (to be hereafter a Commonwealth Prime Minister); Queensland by Mr. Demaine,¹⁶ president of the central political executive; South Australia by Mr. Williams,¹⁷ president of the Trades and Labour Council; Western Australia by Messrs. O'Loughlen¹⁸ and McCallum,¹⁹ president and secretary respectively of the State Labour party. The Premier and Leader of the Opposition from every State were

¹⁴ W. H. Lambert, Esq. Lord Mayor of Sydney, 1920/21; M.H.R., 1921/28. Died, 6 Sept., 1928.

¹⁵ W. Morby, Esq. Of Sydney, b. England, 27 June, 1867. Died, 24 Aug., 1929.

¹⁶ W. H. Demaine, Esq. M.L.C., Q'land, 1917/22; M.L.A., Q'land, 1937/38. Journalist, of Maryborough, Q'land; b. Bradford, Yorks, Eng., 25 Feb., 1859. Died 20 Aug., 1939.

¹⁷ F. D. Williams, Esq. Works manager; of Adelaide and Sydney; b. Adelaide, 22 Feb., 1836.

¹⁸ P. L. O'Loughlen, Esq. M.L.A., W. Aust., 1908/23; of Georgetown, S. Aust.; b. South Australia, 24 April, 1834. Died, 13 Nov., 1923.

¹⁹ Hon. A. McCallum. General Secretary, A.L.P. in W. Aust., 1911/21; M.L.A., W. Aust., 1921/35; of Adelaide and Perth; b. Adelaide, 25 Oct., 1878. Died 12 July, 1937.

present: Mr. Holman and Mr. Storey from New South Wales; Mr. Lawson²⁰ and Mr. Elmslie²¹ from Victoria; Mr. Ryan and Mr. Macartney²² from Queensland; Mr. Peake and Mr. Jelley²³ from South Australia; Mr. Lefroy²⁴ and Mr. Collier²⁵ from Western Australia; Mr. Lee and Mr. Lyons²⁶ from Tasmania. The Nationalist party from each State sent representatives, as did also the employers' federations. Mr. Watson, a former Prime Minister, represented the National Federation of New South Wales.

The Governor-General opened the conference with the explanation that he had summoned it because he believed there was a desire among men of all sections to close their ranks and face the national crisis with a united front. "The situation you have to consider," he said, "is extremely definite. The whole might of Germany has been flung against the British and French front. That front has been bent back to an alarming extent. Utter disaster has overtaken Russia, and Italy is struggling to stem a German invasion." In Great Britain the military age was being raised to the ages of 50 and 55, and every man not required for war industries was being called up. Canada, New Zealand, and the United States had adopted conscription. He was certain that Australia was absolutely convinced of the rightness of the cause in which the Empire was engaged. The situation was sufficiently grave to justify the sinking of public differences and personal antipathies in one supreme united effort. "The voluntary system of enlistment has been definitely adopted by the country; do not let us waste one word in regretting

²⁰ Hon. Sir Harry Lawson, K.C.M.G. M.L.A., Victoria, 1899/1928; Premier, 1918/24, member of C'wealth Senate, 1929/35. Barrister and solicitor; of Castlemaine, Vic.; b. Dunolly, Vic., 5 March, 1875.

²¹ Hon. G. A. Elmslie. M.L.A., Victoria, 1902/18. Stonecutter, of Albert Park, Vic.; b. Lethbridge, Vic., 21 Feb., 1861. Died, 11 May, 1918.

²² Sir Edward Macartney. M.L.A., Q'land, 1900/8, 1909/20; Agent-General for Q'land in London, 1929/31. Solicitor; of Yerongpilly, Q'land; b. Holywood, Co. Down, Ireland, 24 Jan., 1863.

²³ Hon. J. Jelley. M.L.C., S. Aust., 1912/33. Of Adelaide; b. Patna, Scotland, 18 Oct., 1873.

²⁴ Hon. Sir Henry Lefroy, K.C.M.G. M.L.A., W. Aust., 1892/1901, 1911/21; Agent-General for W. Aust. in London, 1901/4; Premier, 1917/19. Pastoralist, of Walehung, W. Aust.; b. Perth, W. Aust., 24 March, 1854. Died, 19 March, 1930.

²⁵ Hon. P. Collier. M.L.A., W. Aust., since 1905, Premier, 1924/30, and 1933/30. Of Boulder and Mt Lawley, W. Aust.; b. Woodstock, Vic., 21 April, 1873.

²⁶ Rt. Hon. J. A. Lyons, C.H. M.H.A., Tasmania, 1909/20, Premier, 1923/28. Member of C'wealth House of Reps., 1929/39, Postmaster-General, and Minister for Works and Railways, 1929/31, Acting Treasurer, 1930/31, Treasurer, 1932/35. Prime Minister, 1932/39. Of Circular Head, Tas; b. Stanley, Tas., 15 Sept., 1879. Died 7 April, 1939.

this or explaining the reasons for this decision; let us rather bend all our energies to devising means whereby the voluntary system can be successfully worked, so as to produce adequate reinforcements for the Western Front." He invited a free expression of all views pertinent to the business in hand; but he earnestly desired that the proceedings should not be over-prolonged, so that to unanimity might be added promptness of decision. "On the portal of Dante's Inferno ran a famous motto, and, though I should be loath to compare any part of Government House to that celebrated region, I would suggest a suitable rendering of the superscription to be placed over the door of this council chamber, 'Abandon strife all ye that enter here!'" Then, in a tone of solemnity in stern contrast with the humorous touch of the last remark, the Governor-General brought his speech to a close. "Never before has so heavy a responsibility rested on the leaders of Australia. Never before have we faced so critical a moment in our history. This is a unique gathering, called together in a unique moment. The people of Australia are looking to you for direction. They expect it of you. They count on your loyalty to Australia enabling you to overcome the undoubted difficulties that confront you in your search for a common and effective policy. I am confident that this most distinguished and representative gathering will arrive at a decision whereby the honour, strength, and renown of His Majesty's Australian armies will be maintained until public right has been vindicated, and the security of our country and its institutions has been won in the field."

The Governor-General, having thus opened the conference, retired, and Mr. Donald Mackinnon was elected president. A committee consisting of the president, Senator Millen, and Mr. Tudor was appointed to determine whether any utterances at the conference contained information which might be to the advantage of the enemy, and the Government undertook that all matter passed by this "censor committee" should be free from all further official censorship and from prosecution against individuals making or repeating the statements so passed.

With a view of concentrating discussion, the president moved a resolution which had been drafted by the Governor-General: "That this meeting, recognising the urgent necessity for united effort in order to secure adequate reinforcements under the voluntary system of enlistment, resolves to consider impartially and with all good will such proposals as may be made to enable Australia to respond to the appeal for men addressed to the Dominions by the Imperial Government."

The discussion soon resolved itself into a reconsideration of the conscription issue, notwithstanding that Senator Millen at the outset gave the positive assurance that "the Government is not prepared in this conference in any way to consider proposals for obtaining recruits other than by the voluntary system." But when Mr. Ryan put the direct question: "Have the Government finally abandoned conscription?", Senator Millen parried with the enquiry: "Indefinitely? Without limit as to time?" "Yes," said Mr. Ryan; and the Minister's answer was: "I am not prepared to make that statement; a public man charged with responsibility who would definitely make a statement such as that would be shutting his eyes to possibilities." On the question of the number of men required, Senator Millen furnished the definite information—10,000 men for three months, and 5,000 per month afterwards.

All the speakers agreed that the motion formulated by the Governor-General was innocuous, but the Labour representatives pressed for a statement from the Government as to the methods they proposed to adopt to make a success of recruiting under the voluntary system. All expressed eagerness to secure harmony. "To bring about that harmony," said Mr. Scullin, "we must re-establish some such conditions as obtained when the people of Australia were rushing to the colours in large numbers," and, he insisted, "our very presence here is some evidence of the earnestness of our desire to bring about harmony."

On the second day (April 13th) the Minister for Recruiting, Mr. Orchard, described the methods which his department was adopting. He admitted that it would be "utterly impossible" to raise 30,000 troops to be immediately despatched

to make up the full strength of the Australian contingents. He regarded the object of the conference as being "to get as near as possible to an understanding of our requirements." He gave the number required as 5,400 per month, regardless of the 10,000 for the first three months, as stipulated by Senator Millen on the previous day. As a basis from which to approach the men of military age, the department intended to take the lists compiled from the responses made to enquiries in 1917. This information would be brought up to date. To every eligible man who could be traced, a card would be sent, headed: "Voluntary ballot enlistment, A.I.F." The card would contain the question: "Will you agree to allow your name to be submitted to a ballot for enlistment, in the order of drawing, in the A.I.F., such names to be drawn by ballot?" To every eligible man would also be sent the information that, in the event of his name being submitted to a ballot, "it may be possibly months or years" before he was required to enlist, and "his services may not be required at all." The ballot would be conducted by means of numbered marbles; "the Australian lad is prepared to take a sporting risk," said the Minister, "and there is an element of chance about a ballot which we hope will appeal to men who have not yet seen fit to enlist." The Government had also made the service more attractive by increasing the allowance to dependants. The allowance to wives had been increased from 1s. 5d. to 2s. per day, and to children from 4½d. to 6d. per day; and, if these amounts were not believed to be adequate, any recommendation from the conference would be considered by the Government.

Mr. Tudor passed over the plans outlined by the Minister, but produced a list of grievances which, in his opinion, hampered voluntary recruiting. He demanded as vital conditions to secure the desired end:

1. That there should be a definite pronouncement by the Government that conscription has been finally abandoned
2. That there should be no economic conscription in public or private employ (*i.e.*, no pressure by employers).
3. Re-registration of unions de-registered, and restoration to unions of their former status, restoration to their employment of victimised unionists, abolition of bogus unions and bureaux set up in connection therewith.

4. (a) Repeal of all War Precautions regulations not vital to the conduct of the war, and a Government guarantee against their re-enactment.

(b) Abolition of press censorship and limitations upon free speech, except as relating to military news of advantage to the enemy.

(c) Cessation of political and industrial prosecutions under the War Precautions Act.

(d) The immediate release of all persons—not guilty of criminal offences—imprisoned in connection with conscription, peace propaganda, recruiting, and the recent industrial troubles.

(e) Refund of fines and costs in connection with all industrial and political prosecutions during the war period.

5. That immediate and effective steps be taken to protect soldiers' dependants and the public generally against profiteering.

Mr. Tudor maintained that cases which had occurred under all of these headings had raised impediments to recruiting. Mr. Holman, on the other hand, urged that it was "ridiculous" to suppose that such occurrences could have had substantial influence, or that recruiting would be improved if all the things demanded by Mr. Tudor were done. Mr. Holman drew the conclusion that there were people "who were merely looking for an excuse, and who would find quarrel in a straw." Nearly the whole of the second day was in fact occupied with statements of grievances, some more or less serious, some more or less trivial or scarcely incidental to the circumstances of a country engaged in war; and hardly a word was said about the method proposed for increasing recruiting. The discussion tended towards the lines of parliamentary debate, with much controversy, bickering and bantering, mutual recrimination, and exposing of the scars of recent fighting. How deep the feeling went was apparent from a complaint of Mr. Storey about the use of the name "Win-the-War Party." He alleged that the members of the New South Wales Recruiting Committee, sitting in Sydney, introduced the use of a badge, inscribed "Win-the-War Badge," the possession of which was to be a guarantee that the wearer had helped in the prosecution of the war in some way. Mr. Hughes, however, seized upon the idea and called his political party a "Win-the-War Party." "This, of course," Mr. Storey asserted, "destroyed the usefulness of the badge so far as we were concerned, because no Labourite would then wear it."

The Governor-General, reading the transcript of the shorthand record of the conference on the Sunday which intervened between the second and third days of meeting, came to the conclusion that no good purpose was being served by the continuance of the discussion on the lines so far pursued. He therefore wrote to the Prime Minister on Sunday, April 14th, in the following terms:

The Conference seems to have become a Conference for reviewing Acts of Parliament, which was not the purpose for which my invitation was issued, nor one which can be properly the main subject of discussion in Government House. It seems to me that to restore perspective an effort should be made immediately to sketch out a recruiting policy on which all present might be got to agree, and that not until then should discussion be allowed, except on conditions which would enable all present to pledge themselves to give to the adopted scheme their active support. For the present the Conference is being allowed to discuss the whole proposition first, which is a mistake in tactics. Our whole effort should be to get a promising recruiting scheme, and then let the onus of the collapse of the Conference rest upon those who having agreed to it refuse for party reasons to support it. I would therefore earnestly advise that the representatives of the Government have a recruiting scheme ready to place before the Conference to-morrow, in consultation with the chief of the general staff, who should be in attendance to explain it. Should this procedure fail, then the Conference cannot be too soon brought to a close.

When the third day of the conference commenced on Monday morning (April 15), Mr. Cook suggested the formation of a committee consisting of the Commonwealth ministers in attendance, and the Premiers of the States. This was agreed to, and the committee met during the morning. But, as it did not evolve a recruiting scheme, Mr. Cook brought forth another proposition at the afternoon meeting, namely, that a committee should be formed consisting of seven members of the conference representative of Mr. Tudor's views, and seven representative of the other side. The intention was to secure the co-operation of the section for which Mr. Tudor spoke, in the preparation of a definite recruiting scheme. But the Labour representatives had no intention of being manœuvred into participation in the preparation of any scheme which they would be pledged to support. That was their tactical principle throughout the conference. Mr. Tudor maintained that nobody in his party had any authority to speak for anyone but himself, or to promise anything in behalf of any organisation. Mr. Scullin,

expressing the objections of his colleagues, said "we are not here to indulge in bargaining or huckstering." He expressed an earnest desire that Australia should "return to those days of harmony that characterised the early years of this war." He did not wish "to see a German victory or a German peace." "We represent," he emphasised, "that class of the community from which 80 per cent. of Australian soldiers must come, and from which 80 per cent. of those already enlisted have been drawn. . . . Let us see if we cannot arrive at a decision as to what is responsible for the falling off in recruiting. It has been said that the well is running dry. That is true, and for it no one is responsible. . . ." Reminded by a delegate that the former Labour Prime Minister, Mr. Fisher, had said that Australia would devote her last man and her last shilling to winning the war, Mr. Scullin retorted: "I am not concerned with what Mr. Fisher promised." "But he was your leader," said Mr. Peake; to which Mr. Scullin replied: "The promise made by Mr. Fisher was one of those rhetorical phrases that are sometimes indulged in at election times, even by the honourable gentleman himself."²⁷ Mr. Scullin, however, with characteristic fairness, averred that he did not wish to lay the whole of the responsibility for the position of recruiting at that time upon his party's opponents. He regarded the grievances formulated by Mr. Tudor as constituting one kind of obstacle; and, as to the Director-General of Recruiting, Mr. Scullin said that Mr. Mackinnon was "one of the very few men, holding different views of politics from those which I entertain, who, in regard to conscription, has acted throughout in an absolutely impartial way."

Later in the day the Prime Minister, who had been ill, put in an appearance, and read to the conference a prepared statement. He said that the gravity of the existing military position could not be exaggerated. "Everything is at stake. Our very existence as a free people is in dire and imminent peril." The Government was prepared to meet the Labour party "in every reasonable way" and to consider its proposals "in a favourable spirit." But he wished it to be

²⁷ Mr. Fisher, however, not only used the phrase during the election, but repeated it afterwards in the House of Representatives.

clearly understood that they did so only because they most earnestly desired the cordial and complete co-operation of the Labour organisations. "It is to that end and for that reason only, and in return for this complete and earnest co-operation, that the Commonwealth and State Governments are prepared to make such changes in their policy as will substantially satisfy the requirements of Mr. Tudor and other representatives." Mr. Ryan asked Mr. Hughes whether he meant that the Government was prepared to repeal certain of the War Precautions regulations. Mr. Hughes replied: "I am prepared to repeal any of them, or the whole lot, if by so doing we can secure that earnest and complete co-operation by the Labour party which is so much desired. There is no reservation on my part. . . . The War Precautions regulations, the censorship, and everything else are but means to an end, and that end is victory for our cause."

On the fourth day of the conference (April 16th), Mr. Hughes made a categorical series of concessions affecting the statement of grievances presented by Mr. Tudor on the second day. As to the first of these, relating to conscription, he said that the Government had already made its position plain. On the second, referring to "economic conscription," he said "the Government are prepared to accept that." On the third, dealing with unions and the employment of unionists, it was agreed that "no workman is to be refused employment in any occupation by reason of his connection with the late general strike." As to the matters enumerated under Mr. Tudor's fourth heading, Mr. Hughes said that "the Federal Government are prepared to favourably consider the repeal of all war regulations not vital to the war;" that a press conference was then sitting, "as a result of which it is confidently expected that a *modus vivendi* will be resolved so far as the press is concerned, and free speech will be permitted other than statements of advantage to the enemy or prejudicial to the Allies"; that "the War Precautions Act will not be used for political or industrial prosecutions"; and, "all persons, if any, who are confined as the result of matters arising out of the referendum campaign or the last general strike will be released," and "all outstanding penalties will be abandoned." As to the last complaint, concerning

profiteering, the reply was "the Government agree to that."

The fifth and sixth days (April 17th and 18th) were occupied with further general debate on issues already discussed, but there was no approximation to agreement. On the seventh and last day (April 19th) the energies of the members were directed towards constructing a formula which would command unanimous support. It had by this time become apparent that it was unlikely that, in the circumstances, those who followed Mr. Tudor's leadership would vote for a resolution pledging all members of the conference to support a voluntary recruiting campaign. The motion which had been submitted on the first day was not pressed. At length Mr. Tudor submitted a proposition in the following terms:

That this Conference, meeting at a time of unparalleled emergency, resolves to make all possible efforts to avert defeat at the hands of German militarism and to secure an honorable and lasting peace.

It was at once observed that this formula did not contain a word about recruiting. But Mr. Lawson took it in hand, and submitted it in an amended form, as follows:

That this Conference, meeting at a time of unparalleled emergency, resolves to make all possible efforts to avert defeat at the hands of German militarism, and urges the people of Australia to unite in a whole-hearted effort to secure the necessary reinforcements under the voluntary system.

This resolution was unanimously carried. Mr. Hughes did not conceal his dissatisfaction. "I do not know why we have come here at all," he said, "if we pass that. But I am not going to stand in the way of unanimity." One last expression of profound disappointment, that after seven days of effort no more definite conclusion had eventuated, fell from the Prime Minister as the delegates were rising from the table in the long Government House drawing-room graced by some of Sir Ronald Munro-Ferguson's choicest art treasures. "It seems to me," he said, "that the Labour movement is afraid. What is it afraid of?" No one vouchsafed an answer, and Mr. Hughes pronounced his final word of regret. "If I were still a leader of Labour, and if we were conducting a strike as in the old days, would we not tear to tatters a man who attempted to force on us such a meagre and in fact emasculated motion?" Mr. Hughes was, of course, expressing

the chagrin of himself and his supporters; but doubtless some of his opponents also would have agreed with many outside observers that the outcome of the conference could be summarised, not inaptly, in the Horatian line, *Parturiunt montes, nascetur ridiculus mus*.

IV

Most of the members of the conference, without regard to party differences, were loyal to its intention, and took an active part in stimulating recruiting in their several States. The result had its effect upon the enlistment figures for May, which reached the total of 4,888, a number below the requirement, but much above that for any month since the second referendum, and higher than for any succeeding month. Mr. Tudor wrote a letter to the Acting Prime Minister, Mr. Watt, in which he expressed the keenest desire that harmony should reign in regard to the prosecution of the war. The fact that Mr. Hughes had by this time left Australia for the Imperial Conference in London, and that Mr. Watt was *persona grata* with opponents, as well as very popular in his own party, probably had much to do with the tone of the letter, which the leader of the Federal Opposition published in the press.²⁸

The Labour Party (he wrote) being desirous of doing everything necessary and proper for the conduct of the war, takes no exception to any regulation which is capable of a reasonable and equitable interpretation, and which is employed only in helping to secure the national safety and well-being. It points out, therefore, that administration being even more important than legislation, it does not seek to hamper the discretion of the Government in determining, with the aid of expert advisers, what is necessary to achieve these objects without injury or offence to any party or class of persons in the community.

Mr. Tudor then restated the points which he had brought forward at the Governor-General's conference, and insisted that freedom of discussion and public meeting should be re-established, together with an uncensored press, "subject only to the limitations imposed by the necessity of withholding matters advantageous to the enemy."

²⁸ The Melbourne Age, 18 May, 1918

Mr. Tudor gave practical effect to his expressed desire to do "everything necessary and proper for the conduct of the war," by addressing recruiting meetings on several occasions during the remainder of May. In Queensland, Mr. Ryan not only advocated recruiting, but consented to a suggestion made by the Minister, that the first thousand men enlisted in the State after May 22nd should be known as "The Ryan Thousand."²⁹ In Western Australia, Mr. Collier, the leader of the official Labour party, similarly took part in recruiting meetings, at one of which he impressed upon his audience that "it was not now a question of fighting for victory, but to avoid defeat, dishonour, and humiliation, and the responsibility was not on the Government alone, but on every individual in the State." In New South Wales, Senator Gardiner expressed a willingness to appear on the same platform as the Premier. "The crisis is so grave and the danger so real," he said, "that I will join Mr. Holman on any platform he may select." Mr. Peter Bowling,³⁰ a redoubtable Labour man, whose name was associated with the extreme demands of his party, was likewise emphatically favourable to recruiting, telling his audience at one meeting that "the men who really want peace, and who would give us a peace worth having, are the men who were fighting for us." One name was missing from the number of those who had taken part in the conference, and would beyond doubt have taken a leading part in the subsequent meetings to stimulate recruiting in Victoria. But Mr. Elmslie, for a short while (1913) Premier of Victoria, and leader of the Labour party there, died on May 11th. A man of high seriousness of purpose and a keen sense of responsibility, he was deeply moved by the great tragedy which had overshadowed the world, and, though his party counted no more loyal member, he had been rendered gravely anxious by a tendency among the extremists towards hostility to the war aims of the British Empire. Mr. Elmslie was a man who could ill be spared in the crisis at this time acute in Australia

²⁹ Mr. Ryan had visited General Birdwood's headquarters on the Western Front in June, 1916.

³⁰ P. Bowling, Esq. Coalminer; of Balmain and Stanmore N.S.W.; b. Stirling shire, Scotland, 19 Dec., 1864. (Mr. Bowling had five sons at the war, and became a vigorous critic of the treatment of returned soldiers and their dependants.)

Efforts to revive the spirit of 1914 did not slacken. Many fresh devices were tried. Much use was made of picture posters intended to emphasise the meaning of the great struggle. One of the most distinguished of Australian artists, Mr. Norman Lindsay,³¹ designed a series of these which, printed in colour, were vivid arguments. In New South Wales resort was also had to the old system of "snowball" marches that had been so effective in the summer of 1915-16. A "March to Freedom," led by Captain Eade,³² began at Armidale on May 4th. The effort was assisted in many ways unthought of in the earlier marches. An 18-pounder field-gun, a party of engineers with a searchlight, two medical officers, and a company of 140 reinforcements, already enlisted, accompanied the new recruits, who were also provided with uniform as soon as they joined. The 250 miles march, which ended at Newcastle, brought in 120 recruits. A "Western March to Freedom" started in July from Harden. A "South Coast March to Freedom" left Nimmitabel at the end of the same month, and reached Sydney in September with 150 men. Other columns came from Gulgong, Glen Innes, and Tenterfield, and from the north coast, and a recruiting train toured the State. In Queensland a column marched from Warwick to Toowoomba. The recruiting regulations were on May 6th amended so as to permit youths under 21 to enlist without the consent of their parents or guardians, which had previously been required.³³ Efforts were made by the Minister for Recruiting to hasten the arrangements for the ballot. It was hoped that this would specially appeal to the 836,000 men between the ages of 18 and 44 since, if a large proportion of them offered, many even of those who passed as medically fit would not be required for some years, and some would not be required at all.³⁴

An effort to raise a "Sportsmen's Thousand" in Victoria, in which the whole quota should be provided by men of athletic quality who had taken part in the sporting activities

³¹ N. A. W. Lindsay, Esq. Artist; of Sydney; b. Creswick, Vic., 23 Feb., 1879.

³² Capt. A. C. Eade. 34th Bn., A.I.F. Bank clerk; of Cooma and Mosman, N.S.W.; b. London, 30 March, 1884.

³³ They were to be allowed to enrol at 18, but were not to be called up until 18½, or to serve at the front until 19. Senator Pearce afterwards laid it down that youths were not to be enrolled without their parents' consent, unless it was proved that they were over 19.

³⁴ The arrangements for the ballot were, however, hardly complete when hostilities ended.

of the State, was one of the successful ventures, bringing forth a stalwart band of recruits. An offer by Scottish-Australian organisations to raise a brigade of infantry if they could wear the kilt was rejected by the Australian commanders at the front, despite their appreciation of the motive behind it. "The fame of the A.I.F.," wrote General White, "has been made by the Australian soldier as a man distinctively Australian." "The practically unanimous opinion of the A.I.F. is against it," wrote General Birdwood. It would be "a trespass upon the solidarity of the A.I.F.," said General Monash. In New South Wales Captain Carmichael, who had previously served at the front, headed a campaign for recruits to return there with him. In South Australia Lieutenant-Colonel Butler,³⁵ an invalided battalion commander, did the same, but was crudely disillusioned by the result. After three months' effort, in which barely 101 recruits were officially credited to his appeal, he wrote: "So long as the men here now can enjoy themselves by going to races, football matches, picture shows . . . they will never realise there is a war on." Miners

quite candidly state that "they are not going to enlist for 5s. a day with a chance of being killed, when they can get from 14s. to 20s. a day by staying at home." The squatters, farmers, and merchant classes are as bad or worse.

In truth the response was not commensurate with all this effort. The total results were disappointing—those for the month of May were not sustained—and the influences to discourage enlistment were never more active than at this period.

The Irish question still caused a cross-current, as was shown in a curious manner in Sydney. At the beginning of the war, as previously stated,³⁶ Archbishop Kelly was a supporter of the principle of compulsory service. But in May, 1918, his Grace issued a pastoral letter, wherein he stated: "We affirm in good will to all, that recruiting in Australia and in Ireland, so far as religion and nationality are factors of effectiveness, postulates an alteration of policy in two main directions." The first was that the former policy of Great

³⁵ Col C P. Butler, DSO, VD. Commanded 43rd Bn., A.I.F., 1917. Auctioneer, and stock and station agent, of Prospect, S. Aust., b Adelaide, 16 July, 1880.

³⁶ See p. 298.

Britain towards Ireland should be disavowed candidly and practically; the second, that the disabilities under which Catholic schools were, he said, suffering in Australia should be removed. The Sydney *Daily Telegraph* thereupon attacked the archbishop with extreme bitterness, and published a cartoon representing that his meaning was that the support of the Catholic Church in Australia was "for sale, hire, or exchange." Archbishop Kelly promptly disavowed this interpretation. In a letter to the *Telegraph*,³⁷ he insisted that his reference to the subject in his pastoral letter was to be construed as "a friendly warning and exhortation regarding two glaring obstacles to Catholic enthusiasm in the matter of voluntary enlistment."³⁸

Mr. Frank Anstey's pamphlet, *The Kingdom of Shylock: The War Loan and the War Tax*, first published in 1916, had a very wide circulation. Written in an energetic style, and printed with a lavish use of emphatic cross-headings and thick type to bring out the more striking sentences, the pamphlet laid stress upon the heavy financial burden that the war would impose upon the Australian people. "The load of interest will be so great that the annual revenue will not be equal to the liquidation." A vast expenditure would be necessary, it was argued, to pay "Shylock, the investor in slaughter."

The nation can levy men—but not money. Men may die—money lives. Men come back armless, legless, maimed and shattered—money comes back fatter than it went, loaded with coupons buttered with a perpetual lien upon the toil of the fathers and mothers and sisters and brothers of the men who died that the nation might live. Where, in the name of God, is the "love of country" to those vampires who batten and grow rich on the rotting carcases of the world's community?

In his booklets, *War and Finance* (1915), and *Money Power* (1921), Mr. Anstey maintained his bitterly-worded thesis that the war would ultimately benefit the class least deserving of the wealth which it would acquire from the people who would

³⁷ May 22.

³⁸ It was at this time that seven men of Irish descent, who were endeavouring to secure widespread support for the Irish republican movement, were interned. Mr. Justice Harvey was commissioned to inquire into their case, and on the presentation of his report—which showed that the phase of the movement with which they were concerned involved collaboration with German interests against those of the Empire—the Government decided that their internment should continue.

be taxed to meet the interest payments of the nations. A similar argument, though expressed in less vivid language, was advanced in a pamphlet issued by the executive of the Australian Labour party of New South Wales—*Australia's Share in the War and Who is Paying for It?* Attention was drawn to the rise in prices which had reduced the purchasing power of wages, and it was emphasised that prices rose throughout Australia before there was any rise in wages, and when, in fact, wages were 10 per cent. lower than the nominal wage of 1911 and 32 per cent. lower than that of 1916. The war debt, the pamphlet argued, would tend automatically to a yet greater increase of inequality in the distribution of wealth, to a further reduction in the purchasing power of money, "and to the economic enslavement of the workers of the Commonwealth."

Opinions based upon writings of this school of thought, the lessons of which were stressed in innumerable speeches much more vehement in diction, were by 1918 fast rooted in the minds of thousands of the most numerous class in the community, from which, as Mr. Scullin said at the Governor-General's conference, 80 per cent. of the recruits had come. These opinions, it will be seen, were not connected with the conscription issue. They were quite separate from it. In all probability they would have been advanced by the men who wrote and spoke upon these lines, even if conscription had never been raised.

Similarly, though perhaps to a lesser extent, the idea gained ground that the war could not be ended by the defeat of the Central Powers, but would sooner or later have to be terminated by negotiation, and that it would be well for further slaughter and waste of wealth to be avoided by commencing negotiations for peace as soon as possible. There existed in some quarters a belief that an honourable and not too oppressive peace could even at that stage be secured by negotiation, and that persistence in the struggle, with a view to crushing the other side, was neither desirable in itself nor likely to lead to better terms. This view never had, as in Europe, any currency among influential sections of the professional or monied classes, but it was entertained by growing numbers in the inner ranks of Labour.

These tendencies resulted in a policy which became known by its opponents, in the parlance of the time, as "defeatist." A certain section of writers, speakers, and organisations, some of the latter highly influential, now definitely bent their efforts to prevent reinforcements being raised. Others in speech or writing attacked or questioned the war aims of the Allies. Conscription was no longer a live issue—it had dropped out of sight in the arena of active controversy. But opposition to the continuance of the war became the policy of a definite section within the Labour party; it grew from an undercurrent into an influence powerful enough to dominate the interstate conference of the Labour party at Perth, despite the opposition of the official leaders and, later, their open disavowal. A new split in the party even seemed to be threatened. Some of the party's opponents, indeed, afterwards believed—more from hope than conviction, perhaps—that, if the war had not ended before the close of 1918, a schism hardly less disruptive than that of 1916 would have occurred in it.

These views were, of course, the counterpart of those expressed by a section of the political or industrial organisations in every country upon which war-weariness was telling. They had long before been avowed with more or less publicity in Great Britain, France, Italy, Germany, and elsewhere. They now found expression in resolutions passed by some Australian Labour organisations couched in language which was unmistakably clear, and in an important resolution—not so clear because it was the outcome of a certain conflict of views—passed by the Perth interstate conference. On May 16th the Sydney Labour Council resolved, after protracted debate, that "the greatest service we can render to the men at the front, their loved ones at home, and humanity in general, is to stop the war." The Brisbane Labour Council, meeting at the Trades Hall of that city, unanimously resolved:

That we declare our sincere belief that any member of the Labour movement in this State, whether attached to the parliamentary, political, or industrial wing of the movement, who appears upon a recruiting platform, or in any way does any other act involving any further participation in the war by Australia, fails to correctly interpret the views of the workers upon this question, and displays lamentable ignorance of the fundamental principles of the working class movement.

Inasmuch as Mr. Tudor in Victoria and Mr. Ryan in Queensland had appeared on recruiting platforms, and Mr. Ryan had signed an appeal to eligible men to enlist on the ground that the liberties of Australians would be gravely endangered in the event of the defeat of the Allies in the war,³⁹ the Brisbane resolution meant a definite departure from their policy.

The triennial interstate conference of the Australian Labour party, held at Perth during the week commencing on June 17th, included delegates from every State of the Commonwealth. Mr. Tudor, though not a delegate, was present as leader of the Commonwealth parliamentary party, and even Mr. Ryan managed to be present, travelling from Queensland.⁴⁰

The conference was held in secret. No representative of the newspapers was allowed to be present, except those who were appointed to furnish official reports to the Labour journals; and these were but outlines. The secrecy was very strict, and the publication of the resolutions passed was for several days postponed. By that time Mr. Tudor and Mr. Ryan had left Perth, and interest in the question whether they had endeavoured to influence the conference in a different direction had temporarily subsided. The resolution dealing with recruiting was⁴¹—

Further participation in recruiting shall be subject to the following conditions: (a) that a clear and authoritative statement be made on behalf of the Allies, asserting their readiness to enter into peace negotiations upon the basis of no annexations and no penal indemnities; (b) that Australia's requirements in manpower be ascertained and met with respect to (1) home defence, (2) industrial requirements;

³⁹ The appeal referred to, which was signed both by Mr. Ryan and by Mr. Macartney, the leader of the Opposition in the Queensland Legislative Assembly, read as follows: "In view of the extremely serious position of the Allied Forces on the Western Front, we wish to appeal to every man in Queensland eligible for service who feels that his services can be dispensed with to immediately enlist in the Australian Imperial Force. We address this appeal to men of all creeds and politics, and we feel that any serious reverse to the Allied Troops would ultimately react on Australia, and cause, in the future, the loss of those privileges for which we have striven in the past."

⁴⁰ The delegates were: *N.S. Wales*—Messrs. J. H. Catts, M.P., T. D. Mutch, M.L.A., J. M. Power, A. Rae, G. Sutherland, and A. C. Willis; *Victoria*—Senator J. Barnes, and Messrs. E. J. Holloway, A. Stewart, J. H. Scullin, M. McC Blackburn, and Bennett; *Queensland*—Messrs. T. J. Ryan (Premier), J. A. Fihelly (Minister for Railways), W. McCormack (Speaker of the Legislative Assembly), C. Collins, M.L.A., L. McDonald, M.L.C., and Senator M. A. Ferricks; *South Australia*—Messrs. T. W. Grealey, N. J. O. Makin, and S. R. Whitford; *Western Australia*—Messrs. P. L. O'Loughlin, M.L.A., W. D. Johnson, D. Cameron, G. Callanan, F. A. Baglin, and W. Roche; *Tasmania*—Senators J. J. Long and D. J. O'Keefe, and Messrs. W. E. Shoobridge, J. Curtin, and A. McCallum.

⁴¹ *The West Australian*, June 25.

an immediate enquiry, upon which the Australian Labour party shall be adequately and officially represented, to be held, and its decisions to be immediately given effect to. Provided that this determination shall be immediately submitted by each State executive under the direction of the Federal executive, with a recommendation from this conference for its adoption, to a referendum of members of all branches and affiliated organizations, and shall become operative upon a majority of the votes of those voting being cast in the affirmative, the ballot to close not later than November 1 next. In the event of the Commonwealth Government interfering with the conduct of the ballot, the foregoing decision as to recruiting shall thereupon be immediately operative.

This resolution was accompanied by another dealing more generally with the war, stating that "while the people suffer and die in millions, thousands of the ruling and privileged classes are amassing huge fortunes out of war profits; apparently existing Governments are making no sincere efforts to obtain a speedy peace, but are devoting their whole endeavours to the continuance of a disastrous struggle." "We are of opinion," the resolution continued, "that a complete military victory by the Allies over the Central Powers, if possible, can only be accomplished by the further sacrifice of millions of human lives"; and it was therefore urged that immediate negotiations be initiated for an international conference for the purpose of arranging equitable terms of peace. This resolution was adopted unanimously.⁴²

There is no doubt that these resolutions meant a further definite departure from what had, till now, been the policy of the Labour party, and from the resolution accepted by its leader at the Governor-General's conference—to "unite in a whole-hearted effort" to secure recruits by voluntary means. There is no published record of the debates at the conference, but later occurrences seem to make it clear that, as often happens, the section which, possibly through its enthusiasm, secured a majority inside the conference did not represent the majority of the constituents outside. In the conference there was undoubtedly a difference between two parties, each representing strong and earnest convictions. Among those present were men who had a deep stake in the war—Mr. Rae,⁴³ for example, lost two of his sons there, and

⁴² *The West Australian*, June 21

⁴³ A. Rae, Esq. M.L.A., N.S. Wales, 1891/94, member of C'wealth Senate, 1910/14, 1929/35. Journalist, of Marrickville, N.S.W.; b. Christchurch, N.Z., 14 March, 1860.



Quick!

36 A CARTOON BY NORMAN LINDSAY, ISSUED BY THE RECRUITING
AUTHORITIES IN 1918

To face p 466



37. A CARTOON BY NORMAN LINDSAY, ISSUED BY THE RECRUITING
AUTHORITIES IN 1918

To face p 467.

his wife died as a result of that loss. When such a man denounced "an ignorant and ferocious war hysteria" he was animated by a burning sincerity. At a later date an announcement was made that "it is understood that Mr. Tudor opposed the resolution at the Perth conference."⁴⁴ There was an element of agreement; the opinion that, if an honourable peace could then be secured by negotiation, it ought to be secured, was probably unanimous, as was the feeling that, unless some general protest was made, leaders such as Mr. Lloyd George and M. Clemenceau and the military chiefs would go on spending life and treasure without limit in their vain effort for a "knock-out" blow. But there was probably genuine difference of opinion as to whether the German military leaders, who had just overridden with complete success a similar movement in the German Reichstag, would agree to honourable terms. The leaders at the Perth conference probably hoped that the two policies could be reconciled by adherence to the procedure laid down in the resolution. Mr. Ryan, who drafted it, said on return to Queensland⁴⁵ that the real import of the resolution relating to recruiting was that it favoured "peace by negotiation," which, he insisted, did not mean "abject surrender."

But the real division of opinion behind the Perth resolution was too deep to be thus bridged. The resolution made further participation in recruiting conditional upon something to be done by the Allied powers, over which Australia could exercise no effective influence. The conference directed that ballots should be taken among the members of the Labour party in the various States, to ascertain whether they confirmed or rejected the resolutions. But, as soon as arrangements came to be made for the ballot, which was to be taken in November, strong expressions of dissent were expressed. These commenced among Labour members of the Federal Parliament. In New South Wales at the beginning of

⁴⁴ *Melbourne Argus*, Sept. 5.

⁴⁵ In a speech in the Legislative Assembly, 4 Sept., 1918, Mr. Ryan himself was apparently not entirely without doubt as to the need for recruits. In the same speech he said that "if from the beginning the Commonwealth Government, instead of directing all their energy to the sending of men out of the country, had directed some of their energy to production, to the building of ships, and so on, they would have rendered even greater service to the Empire than by acting in the manner they have done."

September Senators Gardiner, Grant,⁴⁶ McDougall,⁴⁷ and Messrs. Charlton,⁴⁸ Nicholls,⁴⁹ Riley,⁵⁰ Wallace,⁵¹ Watkins, and West,⁵² members of the House of Representatives, published a manifesto urging members of the party in their State to reject the Perth resolutions. They pointed out that in 1914 the Labour party had pledged itself to a vigorous prosecution of the war, and, though the signatories were all anti-conscriptionists, they adhered to the declaration wherein the party's policy had then been expounded. "To abandon voluntary enlistment now," they insisted, "would mean pulling out of the war, and leaving those trade unionists who are in the trenches without the help we should give them. . . . The proposals you are asked to adopt may be interpreted to mean that as a party we shall take no further part in the war. This would be a distinct breach of faith with the electors and a base desertion of our soldiers. Such a step would be disastrous to the movement at a time when all should aim at solidarity. . . . At this critical juncture, in order to protect the best interests of Labour, we earnestly ask you to vote no."⁵³

The effect of this disavowal was immensely aided by the complete change in the war news. In August the tide of battle had turned, and the Australian forces fighting in France had performed some famous deeds of valour, which sent a thrill of pride and admiration throbbing through Australia. The glorious news of their leading part in the battle of Amiens on August 8th, followed by moving descriptions of the battle of Albert on the 22nd-23rd, and the capture of

⁴⁶ J. Grant, Esq. Member of C'wealth Senate, 1914/19, 1922/28. Stonemason and A L P. secretary; of Annandale N.S.W.; b. Nethybridge, Inverness-shire, Scotland, 24 Dec., 1857. Died 19 May, 1928.

⁴⁷ A. McDougall, Esq. Member of C'wealth Senate, 1910/19, 1922/24. B Pymont, N S.W., 1856. Died 14 Oct., 1924

⁴⁸ M. Charlton, Esq. M.L.A., N.S. Wales, 1903/9; M.H.R., 1910/28; Leader of Federal Parliamentary Labour Party, 1922/28. Miner, of Lambton, N S.W.; b. Linton, Vic., 15 March, 1866

⁴⁹ S. R. Nicholls, Esq. M.H.R., 1917/22. Of Wagga Wagga, N S W; b. Grattai, N.S.W., 16 May, 1885.

⁵⁰ E. Riley, Esq. M H R, 1910/31. Of South Sydney; b. Glasgow, Scotland, 17 Apr., 1859.

⁵¹ C. Wallace, Esq. M.H.R., 1917/19. Labourer; of Guildford, N S.W.; b. Sydney, 19 Jan., 1881. Died, 20 Sept., 1921

⁵² J. E. West, Esq. M H R, 1910/31. Master plumber of Darlinghurst, N S W; b. Lambeth, London, Eng., 26 Jan., 1852. Died, 5 Feb., 1931.

⁵³ *The Sydney Morning Herald*, 3 Sept., 1918.

Mont St. Quentin on the 31st, caused a wave of enthusiasm and relief.

In Victoria, Mr. Fenton⁵⁴ and Mr. McGrath,⁵⁵ a returned soldier, also made declarations in opposition to the Perth resolution; and on September 18th a meeting of the Federal Parliamentary Labour party's caucus found itself divided, and the matter appears to have been shelved. Various trades unions at the beginning of October voted against the resolution. On the eve of the Armistice it was decided not to go on with the ballot, which indeed that event would render unnecessary. In coming to this decision the executive of the Australian Labour party expressed its pleasure at the prospect of an early cessation of hostilities.

It was the spread of so-called "defeatist" views concerning the war that gave rise to the only attempt at systematic propaganda that was inaugurated in Australia. In certain quarters⁵⁶ the doubt suggested itself whether Australians were sufficiently aware of what was actually at stake in the war, what were the issues, the methods and intentions of Germany, and the dangers of internal division in Australia. To bring knowledge "of the main issues of the war and of peace" to all sections, but particularly to those who were, at least in the view of the originators, being misled by false or biased statements, a directorate of war propaganda was established in Melbourne with branches in other State capitals. It was intended to address open air meetings and to undertake lectures and house-to-house visits, contribute articles to the press, and distribute leaflets. But the organisation had barely been launched⁵⁷ when the Armistice was signed.

⁵⁴ Hon. J. E. Fenton, C.M.G. M H R., 1910/34; Minister for Trade and Customs, 1929/31, Acting Prime Minister, 1930/31; Postmaster-General, 1932. Printer and journalist, of Merricks North, Vic.; b. Natte Yallock, Vic., 4 Feb., 1864.

⁵⁵ D. C. McGrath, Esq. M.L.A., Victoria, 1904/13; M H R., 1913/19, 1920/34, served in A I F., 1916/18. Storekeeper; of Ballarat, Vic.; b. Newtown, Grenville, Vic., 10 Nov., 1873. Died 31 July, 1934.

⁵⁶ The step was partly suggested by Mr. R. C. D. Elliott (of Melbourne), who had lately seen such a system in operation in America, and reported his views to the Minister for Defence. The Minister had already endeavoured to secure from Great Britain certain material for propaganda, particularly to assist recruiting. Thus, cinema films of Australian troops were asked for; but the private organisation to which the British Government at that time entrusted the handling of its films was so careless that the Australian films made up by it were completely worthless. The British war films were, however, shown in Australia with effect.

⁵⁷ The director was Mr. D. K. Picken, Master of Ormond College, Melbourne University. Mr. Frank Tate, Director of Education in Victoria, was chairman of the Victorian section, and Mr. T. R. Bavin (afterwards Premier) of that in N.S. Wales.

V

Although, in accordance with Australian tradition, the extremists had been more vocal than in other parts of the Empire, it is doubtful whether anyone who lived in the Commonwealth through those critical years would aver that they represented a larger or more influential section of the population than did those in Great Britain. It is certain that the vast majority of the people was fully determined to continue the war effort.

It has been said that only the "termination of the war saved Australia from inability to maintain her forces in France."⁵⁸ If this means that in 1919 the Australian command would have had to disband at least one division, and possibly more, the statement is probably right; but, in the sense in which similar statements have usually been accepted—that the A.I.F. would have dwindled to insignificant proportions—it is certainly wrong. When the war ended, recruiting in Australia was proceeding at the rate of 2,500 monthly, or 30,000 a year. This stream comprised part of the quota of young men who were coming of military age each year, many of whom were eager to get to the front, and a proportion of the population over that age which had to be persuaded. Enlistment always increased in a crisis, and it should be remembered that in the maintenance of the A.I.F. the threatened crisis, which would necessitate the breaking-up of a division, though predicted in 1916, 1917, and 1918, never actually occurred. On the contrary, each of these years found Australia supporting much the largest combatant force of any dominion.⁵⁹ Although in each referendum campaign dire consequences had been foreshadowed as a certain result of failure to vote "Yes," yet the five Australian infantry divisions remained fighting to the end, and in 1918 their achievement was greater than in any other year. It is true that, in September and October of that year, they, like many British divisions, were

⁵⁸ *War Government of the British Dominions*, by A. Berriedale Keith (Carnegie Endowment), p. 96.

⁵⁹ Canada provided the largest oversea force of any of the dominions, but a considerable part of it (forestry and railway construction companies) was not included in her divisions. Of combatant forces, she furnished four magnificent infantry divisions and a cavalry brigade, and New Zealand one of each. Australia provided two cavalry divisions (except for one New Zealand brigade), five infantry divisions, four flying squadrons, and her navy. In proportion to the population the New Zealand contribution was the greatest.

fighting with their ranks very thin. The shortage was serious, and all brigades, except the four oldest, had to be reduced from four battalions each to three. The fact that this step had long before been taken in most British divisions, and earlier still in the French and German Armies, does not affect its implications. The threatened breaking-up of a division would probably, at last, have been carried into execution in the winter of 1918-19, or the spring of 1919.⁶⁰ What would have been the effect on Australian recruiting is problematic; but, had her combatant force in France at the end of 1919 been reduced even to three infantry divisions, it would still not have been disproportionate to Canada's, and it is certain that ceaseless effort would have been made to maintain it.⁶¹

Measured by the proportion of fighting forces to population, the military effort of the mother country was not equalled by that of any of the dominions.⁶² Despite the obvious truth that the future of the dominions—at least of those in the Pacific—was at stake, the fact that the struggle was in its origin purely a European one, and the scene of operations exceedingly remote, inevitably conditioned both their outlook and, to some extent, their ability to assist. It may be doubted whether any other nations in similar circumstances would have made a more substantial contribution than these virile, freedom-loving peoples.

VI

In the ministerial statement made to Parliament on April 10th, it was announced that the Imperial Government had invited representatives of the dominions to attend a conference in London, and that the Prime Minister and Mr. Cook were to attend in behalf of Australia. At that time there seemed to be little prospect that this conference would detain the two ministers till the end of the war, and that they would remain to be among the statesmen representing the Allied Powers who affixed their signatures to the Treaty of Peace

⁶⁰ The 5th Canadian Division, which never actually saw active service, was broken up for reinforcements a year before.

⁶¹ Both Canada and New Zealand, which adopted conscription, were, at the end of 1917, in a much better position to maintain their full forces than was Australia; but serious trouble attended the enforcement of the conscription measures in each of these countries.

⁶² The particulars will be given in *Vol. VI* of this series.

at Versailles. The statement, indeed, laid emphasis upon the gravity of the military situation in Europe, and observed that the British and Allied forces were being subjected to a strain "hitherto unparalleled in this fearful war." It appealed to all to present an united and unwavering front, and promised that the Government would do everything in its power "to promote this vital national solidarity."

A marked difference of opinion, however, was apparent in the parliamentary discussion of the ministerial statement. Mr Tudor confronted it by moving an amendment submitting the opinion that the Prime Minister and the Minister for the Navy could not fitly represent Australian public opinion because of Mr. Hughes's speeches in relation to the Paris economic conference, because the war policy of ministers had been repudiated at two referendums, and because of their conduct of public affairs within the Commonwealth. He maintained that, although the Government secured a majority at the last general election, the effect of it was "wiped out on December 20th"; that the resolutions carried at the Paris conference had had the effect of prolonging the war; and that the undertakings given by the Government at the Governor-General's conference had not been carried out.

Mr. Hughes's reply was that the Government had undertaken to make concessions, at the Governor-General's conference, on the distinct understanding that the representatives of organised Labour would do everything within their power to make voluntary recruiting a success. They had not, he maintained, carried out that undertaking. He complained of the spirit which had come over the Labour movement in relation to the war. It "walked as if it were afraid." Its leaders feared "to go into their organisations and tell them the truth." The position of Australia in respect to the war was so grave that any man who did not do his best was "a traitor or decadent." He called upon all responsible men to go forth and tell the people the truth. After a long debate, Mr. Tudor's censure was negatived by 36 votes to 18, in a division on strict party lines. Mr. Hughes and Mr. Cook travelled to London across the Pacific and the United States, their time of departure and their route being kept a profound

secret, and all references to their journey being forbidden by the censorship. They were in London by the third week in June.

Early in October there were unmistakable indications that the war was coming to a conclusion. The terrific offensive movements of the Allies since August, movements in which the Australian veterans had taken a conspicuous and brilliant part, were beating back the German armies. Their leaders became bewildered, their princes scared. The vast edifice of military power which had been built up by the science and the statecraft of the Prussian masters of the German Empire was tottering to its fall. The crash came when the German Government sued for peace and the Kaiser Wilhelm II, fleeing from the Fatherland, took refuge in Holland. Rumours of peace, cabled from America, preceded authoritative information. The first news which arrived by cable in Australia, on November 8th, was that Germany had surrendered and accepted the terms dictated by the Allies. This proved to be premature, but anticipated the truth by only a few days. On November 11th the official tidings of the Armistice were flashed across the cables—Peace! The telegraph spread the news to the remotest parts of the continent. Spontaneously the cities burst into rejoicings.⁶³ Crowds paraded the streets singing patriotic songs and shouting hurrahs. An overwhelming wave of emotion swept through the country, with weeping, singing, and other unrestrained demonstrations of gladness and triumph. The provincial towns and the small settlements added their chorus of thanksgiving. The bells clashed forth brazen octaves, and in churches and cathedrals the pealing anthem swelled the note of praise. Every city and town was beflagged. Processions headed by bands playing martial music and public meetings thronged with enthusiastic audiences, who cheered to the echo patriotic sentiment however worn in its phrasing, signalled the happy event amid enthusiasm which was all the more fervent because for so many months feelings had been pent up, and the universal sorrow, with the crushing consciousness that dreadful fates hung in the balance in Europe, had made heavy the hearts of the people. But now the load was lifted; peace had come to a raging world.

⁶³ See *l'ou XII*, *plutes 699-701*

At this time a French mission was visiting Australia, under the leadership of General Pau. It originated in a suggestion made by the French Government, which sounded the Australian High Commissioner in London, Mr. Fisher, as to the views of the Commonwealth Government. Mr. Fisher was informed that such a visit would be welcome. He thereupon (13th March, 1918) officially invited the French Government to despatch a mission to Australia "in the interests of the national and commercial relations between the Republic and the Commonwealth." The official leader of the mission when it left France was M. Albert Métin, a man of intellectual distinction who was no stranger to Australia, since he had visited the country twenty years previously, when making studies for his book on *Legislation ouvrière et social en Australie et Nouvelle-Zélande* (Paris, 1901). But M. Métin died in the United States while the mission was on its way to Australia, and the leadership then devolved upon the chief military member, General Pau.⁶⁴ The secretary was Dr. André Siegfried, Professor of Economic Geography at the École Libre, Paris, who also had previous knowledge of *les terres australes*, since he had visited this region for the purposes of his book, *La Démocratie en Nouvelle-Zélande* (Paris, 1904). Commandant d'André was the general's *aide-de-camp*, and the mission consisted of nine members.

General Pau rapidly established himself as a very popular representative of his nation. The appearance in public places of a soldier so picturesque in person at the time when Australia was thrilled with the news of the German collapse was especially appropriate.⁶⁵ He was a veteran of the Franco-Prussian War of 1870-1, and had also held important commands during the Great War. Something of the grace and distinction of the Second Empire invested him still, nearly half-a-century after Napoleon III and the Empress Eugenie had fallen from their great eminence. His "imperial" beard and moustache, his courtly manner, the air of a *beau sabreur* and debonnaire diplomatist, together with his quick sympathies

⁶⁴ The French Government appointed the most eminent of contemporary French philosophers, M. Henri Bergson, the celebrated author of *Évolution Créatrice*, to succeed M. Métin, but there was not sufficient time for him to make the voyage and join the mission upon its arrival in Australia. Consequently M. Bergson's appointment was inoperative.

⁶⁵ See Vol. XII, plate 751.

and happy faculty for saying the gracious thing at the opportune time, captivated all with whom he came in contact. The scarlet *pantalons* of the military members of the mission and their gold-laced *képis* gave to the Armistice rejoicings an extra touch of colour, all the more welcome because it reminded the people of the country where so many thousands of their own valiant sons at this time were. General Pau was present at a military parade in Melbourne on October 27th, when 15,000 troops marched past and the Governor-General took the salute. Of these, 2,500 were returned soldiers, and the general was, as he confessed, much touched to see defiling in front of him men who had fought in France. "My heart," he said, "beat more quickly when I saw on their hats the dust of our glorious French soil." The general and his staff were in Adelaide when the official news of the German surrender came, and their arrival in the South Australian capital gave *éclat* to the rejoicings there. The mission, which had arrived in Australia on September 10th, visited every State, and concluded its tour on December 10th.

The House of Representatives did not sit on Tuesday, November 12th, the day after the receipt of the official news of the conclusion of hostilities. The Senate, which had arranged to meet, consequently had the good fortune to be the House of the Federal Parliament which first received the King's message and passed an address expressing the national satisfaction. Senator Millen, Minister for Repatriation, as soon as the business of the day was called on, rose in the hushed and expectant chamber and read the telegram from His Majesty in the following terms:

At the moment when the Armistice is signed, bringing, I trust, a final end to the hostilities which have convulsed the whole world for more than four years, I desire to send a message of greeting and heartfelt gratitude to our overseas peoples, whose wonderful efforts and sacrifices have contributed so greatly to secure the victory which now is won.

Together we have borne this tremendous burden in the fight for justice and liberty; together we can now rejoice at the realisation of those great aims for which we entered the struggle. The whole Empire pledged its word not to sheathe the sword until our end was achieved. The pledge is now redeemed.

The outbreak of war found the whole Empire one. I rejoice to think that the end of the struggle finds the Empire still more closely

united by the common resolve held firm through all vicissitudes, by the community of suffering and sacrifice, by the dangers and triumphs shared together.

The hour is one of solemn thanksgiving and of gratitude to God, whose Divine Providence has preserved us through all perils, and crowned our arms with victory. Let us bear our triumph in the same spirit of fortitude and self-control with which we have borne our dangers.

GEORGE, R.I.

The address to the King passed by the Senate congratulated His Majesty "upon the great sagacity and steadfast resolution of the statesmen of Great Britain and the Allied and Associated Powers, whose labours established and perfected the all-powerful alliance of free nations which has now effected the capitulation of an arrogant foe"; it tendered to the British and Allied forces "the profound and grateful thanks of a united people, for their stupendous efforts and patriotic sacrifices"; it "gloried in the fact that the soldiers and sailors of Australia" had, "by their dauntless heroism and endurance, conspicuously assisted in re-establishing freedom and justice"; and it joined with His Majesty in "paying homage to the memory of our dead heroes, who laid down their lives in the cause of humanity."

Senator Millen submitted the motion for the adoption of the address in well chosen words, spoken with deep feeling. Bearing in mind the part which the British Empire had taken in bringing about the victorious termination of the great struggle, he declared that it was "a proud thing to be a British citizen." There were many pages in British history, he said, which could be read with gratification and delight, but no page had so far been written, and he doubted whether any would ever be written, "in which we can see more clearly set out those national attributes on which we feel we can rely with confidence and pride." The people of Australia, he claimed, understood the vital issues involved, and no Australian "need be other than proud of the part which has been played by his compatriots in this great event." The deeds of the men at the front, on the heights of Gallipoli, on the plains of Flanders, in Mesopotamia, and in Palestine, spoke with more emphasis, and would endure longer, than

any words which could be uttered. Turning to the settlements to be made between the nations, he warned the Senate that the tasks were of great complexity and magnitude, and involved enormous consequences.

Amongst these tasks I would like to make passing reference to that which will be involved in our attitude towards the beaten foe. The British have always—and rightly—possessed the reputation of treating generously those whom they have defeated in battle. I have no desire that the reputation of the British nation in that regard shall be weakened, but I fervently express the hope that those into whose hands will be entrusted the grave responsibility of adjusting the peace terms, will not be misled by any mistaken sentiment into refraining from discriminating between those who plunged this world into war and who for four years nailed humanity upon a cross, and those who sought to avoid it.

Senator Gardiner, the Leader of the Opposition, in seconding the motion, associated himself with all that the Minister for Repatriation had said. He averred that Australia entered into the war unasked, by the spontaneous wish of a united country, and all the political divisions which had ensued marked no serious division of feeling in the nation. "Public opinion generally," he claimed, "took the form of a firm and consistent demand that this war should be continued until a just and honourable peace," based on victory, had been attained. After the motion had been unanimously carried, Senators rose and sang the National Anthem, concluding with three cheers; and, as the official report records, "cheers were also given (on the call of Senator Needham⁶⁶), for Field-Marshal Foch; (on the call of Senator Maughan⁶⁷), for 'Our volunteer army'; and (on the call of Senator de Largie⁶⁸) for 'The conscript armies of our Allies.'" Thus the echo of bitter controversy was heard at the moment of rejoicing for victory.

In the House of Representatives the King's message was read on November 13th, and the Acting Prime Minister, Mr. Watt, submitted an address in the same terms as those used in the Senate's motion. He also looked ahead, to the magnitude of the problems awaiting settlement, problems "just

⁶⁶ E. Needham, Esq. M.L.A., W. Aust., 1904/5, and since 1933; member of C'wealth Senate, 1906/19, 1922/29. Of Perth, W. Aust.; b. Ormskirk, Lancs., Eng., 30 Sept., 1874.

⁶⁷ W. J. R. Maughan, Esq. M.L.A., Q'land, 1898/99, 1904/12; member of C'wealth Senate, 1913/19. Of Brisbane and Sydney; b. London, 8 Jan., 1863. Died, 9 April, 1933.

⁶⁸ Hon. H. de Largie Member of C'wealth Senate, 1901/23. Miner; of Kalgoolie, W. Aust.; b. Airdrie, Scotland, 26 March, 1859.

as new as those which the war created." But, with the coming of peace, he hoped that the people of Australia would "allow faction to die so that we may face together and settle the problems of peace and build a great and united nation in this country." Mr. Tudor seconded the motion, which, as in the Senate, was carried unanimously. Members rose and sang the National Anthem, concluding with three cheers for the King; "also," as officially recorded " (on the call of Dr. Maloney⁹⁹), honourable members sang 'God Bless Our Men,' concluding with three cheers for 'The Men.'"

The occasion was too great to permit of the addresses from the two Houses of Parliament being presented to the Governor-General, for transmission to the King, in an ordinary unceremonious manner. The public, still excited with the news of victory, had to be given an opportunity of witnessing the event in a spectacular setting. The wide flight of steps fronting the facade of Parliament House, Melbourne, formed a suitable stage, the lofty pillared portico a frame and background for the picture. In the wide space before the building a vast crowd gathered on November 13th. The steps were filled with invited spectators, except for an ample space reserved for the chief actors in the ceremony. Troops were drawn up in line below. Preceded by an official bearing the mace, the President of the Senate, Senator Givens, bewigged and robed, attended by the clerks in their official vestments, the Speaker of the House of Representatives, Mr. Elliot Johnson, attended by the clerks of his house, also robed and wigged, filed out of the two chambers shortly before the appointed hour. The Ministers of State and members of the legislature trooped behind them. The Governor-General, in full uniform, accompanied by Lady Helen Munro-Ferguson, and escorted by a troop of light horse, appeared punctually to the minute, and the military band, whose music had kept the great concourse entertained pending the commencement of the proceedings, blared forth the familiar strains of the Anthem which never before in this place had sounded so triumphantly National. The Governor-General stood at attention with his hand to his feathered hat till the last note

⁹⁹ Dr. W. R. N. Maloney. M.L.A., Victoria, 1889/1903; member of C'wealth House of Reps., 1904/40. Medical practitioner; of Melbourne, b. West Melbourne, 12 April, 1854. Died 29 Aug., 1940.

had sounded, and then ascended the steps, where he was received by the President and Speaker. From their hands he received the addresses, which he undertook to cable to the King forthwith. Then, facing the sea of upturned faces, His Excellency, in penetrating voice, with deliberate, distinct enunciation, expressed what all were feeling, when he made his reply:

It is with feelings of the deepest emotion that on this, the greatest day in the history of our Empire, I receive the addresses in which both Houses of the Australian Parliament express their sentiments of loyalty to His Majesty the King, and tender their congratulations on the great victory which, after four and a quarter years of desperate fighting, has crowned the arms of the Allies. Australia remembers with pride the part played by her sons in the mighty struggle, and having borne her share of the heat and burden of the day, rejoices with pride and thankfulness in the overwhelming success due, under God's Providence, to the relentless pressure of the Navy and the heroic valour of the soldiers, and the patient tenacity of the peoples of the British Empire and of the Allies. I shall have the honour, Mr. President and Mr. Speaker, of forthwith transmitting to His Majesty the King the loyal messages which you have tendered to me on behalf of both Houses of Parliament.

A great shout arose from the great assemblage, cheers, again and again repeated, rang forth, and the ceremony, which though short was very impressive, concluded. And, so far as the War itself was concerned, that function meant, for Australia, "good-bye to all that."

BOOK III—THE ECONOMIC ASPECTS OF THE WAR

CHAPTER XIII—FINANCE

THE financial year which ended on the 30th of June, 1914, found the Commonwealth Treasury with a deficiency of £1,418,958, the revenue for the year having been £21,741,775, and the expenditure £23,160,733. Mr. Fisher's estimates for 1914-15 anticipated a deficit of £13,088,314; the estimated revenue was £24,495,401, and the estimated expenditure £37,583,715. The latter sum included £11,742,050, which was expected to be Australia's expenditure on the war during the year.¹ But the actual revenue for 1914-15 was £22,419,798, and the actual expenditure £40,269,702, the actual deficit being therefore £17,849,904, or £4,761,590 in excess of the estimate.² The actual war expenditure for the year was £15,111,335, being £3,369,285 in excess of the estimate.

The revenue and expenditure of the six States of Australia for the year ended 30th June, 1914, were as follows:³

	Revenue.	Expenditure		
New South Wales ..	£18,298,625	£17,701,851	surplus	£596,774
Victoria	10,730,961	10,717,642	surplus	13,319
Queensland	6,973,259	6,962,516	surplus	10,743
South Australia ..	4,822,766	4,604,130	surplus	218,636
Western Australia ..	5,205,343	5,340,754	deficit	135,411
Tasmania	1,238,085	1,235,014	surplus	3,071

Mr. Fisher had cherished the hope that the Commonwealth would be able to finance its war obligations during the financial year from revenue, but found that this was too difficult. The States required money for public works, and, though there was no obligation upon the Commonwealth to finance State enterprises, it was considered desirable to assist them. It was not therefore for war purposes, but to obtain money for the States, that the Commonwealth Government made its first appeal to the British Government for a loan. "It was with great reluctance," Mr. Fisher acknowledged,

¹ Mr. Fisher's budget statement, *Commonwealth Parliamentary Debates*, Vol. LXXV, p. 1338.

² The expenditure included £14,471,118 of loan money spent upon war services and £2,154,439 loan money spent upon works.

³ *Commonwealth Year Book*, 1916, pp. 746, 752.

"that I gave up the cherished hope of financing our war forces on sea and land, in the Pacific and in Europe, during this financial year, from revenue, but that wish had to be sacrificed in order that we might be enabled to render needed financial help to the States."⁴ He made enquiries in London as to the possibility of raising a loan on the money market, but the terms quoted were not acceptable. He then applied to the British Government for a loan of £18,000,000, and told Parliament that "it cheerfully assented";⁵ but, as will appear from what follows, the cheerfulness was not manifested in willingness to lend for State public works, but on account of a desire to help the Commonwealth to finance war services. Mr. Higgs, who succeeded Mr. Fisher at the Treasury, in his budget speech of 9th May, 1916, said that the capacity of Australia for raising war loans was unknown, but the Government believed "that the time has arrived when Australia should at least furnish the money to pay her own share of war expenditure, if not indeed to lend money to the Imperial Government."⁶ The exuberant optimism of that sentiment was not supported by the facts of the time, nor of any time during the period of the war.

Although receipts from customs remained unexpectedly steady, the task of meeting even a fraction of war expenditure from revenue was almost at the outset found to necessitate additional taxation. Since the federation of Australia the chief source of revenue of the Federal Government had always been customs and excise, from which, however, the Government had to return a considerable proportion⁷ to the States. Income tax and death duties had so far been imposed only by the States, and the Commonwealth's power of direct taxation had so far been employed only in the levying, since 1910-11, of a land tax. In the first year of the war, however, Mr. Fisher not only increased the land tax by altering its graduation, but imposed succession duties on all estates of more than £1,000 net value. In 1915-16 the Commonwealth first entered the field of income taxation, imposing a levy which was, on the

⁴ *Parliamentary Debates*, LXXV, p. 1341

⁵ *Ibid.*, 1340.

⁶ *Ibid.*, LXXIX, 7710

⁷ Fixed in 1910 at 25s. per head of population, with certain allowances for the less populous States. In 1913 this amounted to roughly two-fifths of the total receipts

whole, more stringent than those of the States, and which returned, as estimated, some £4,000,000 in its first year. In 1916-17 an entertainment tax was added, and in 1917-18 Sir John Forrest brought in a War-time Profits tax⁸ and increased the income tax of bachelors and widowers who had not enlisted for active service. This last was not levied and was repealed next year. In 1918 Mr. Watt increased the rate of postage by a half-penny. This was credited with a return of £463,317 in 1918-19, and £745,962 in 1919-20. Of the other taxes here mentioned, the yield during the war was:

	Succession.	Income.	Entertainment.	War-time Profits.
	£	£	£	£
1914-15 ..	39,646	—	—	—
1915-16 ..	626,215	3,932,775	—	—
1916-17 ..	1,062,168	5,621,950	110,683	—
1917-18 ..	947,232	7,385,514	245,898	680,008
1918-19 ..	923,908	10,376,456	358,126	1,206,538

The assessment for the War-time Profits tax ceased at the 30th of June, 1919, but delayed collections continued for several years, as follows: 1919-20, £2,569,013; 1920-21, £2,083,139; 1921-22, £1,306,709.

The total revenue of the Federal Government during the war (exclusive of the portion received for and paid to the States under the subsidy arrangement), and the portion of war service expenditure met from it, was—

	Revenue.		Expenditure on War Services.
	£		£
1914-15 ..	16,056,023	..	1,011,335
1915-16 ..	24,415,221	..	3,778,378
1916-17 ..	27,692,015	..	8,427,329
1917-18 ..	29,986,973	..	11,863,251
1918-19 ..	37,416,044	..	21,255,101

Throughout the war the expenditure of the Commonwealth and the States, on other than war requirements, exceeded anything previously known in Australian public finance. In contrast to the position of the Commonwealth, the States had no direct financial war obligations, and they would have made the task of financing the war easier if they had been able to

⁸ The tax was on the amount by which the profit in the war years from 1915 onwards exceeded the average profits of certain years, or exceeded 10 per cent. The rate of tax for 1915-16 was 50 per cent.; for subsequent years 75 per cent.



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38. HON R B ORCHARD, MINISTER FOR RECRUITING, DRAWING A BALLOT FOR VOLUNTARY ENLISTMENT, IN MARTIN PLACE, SYDNEY, OCTOBER 1918

Photo by "The Sydney Mail"



39. RT. HON. WILLIAM ALEXANDER WATT, COMMONWEALTH TREASURER
1918-20; ACTING PRIME MINISTER, 1918-19

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reduce their expenditure, or even keep it within limits not exceeded by their requirements in 1913-14. But no State government showed any resolute tendency to economise. Consequently, both ordinary expenditure and the weight of indebtedness through loans were augmented. The following table gives the revenue and expenditure of the States for the years 1915-20:

	N.S.Wales.	Victoria.	Queensland.	S. Australia.	W. Aust.	Tasmania.
	£	£	£	£	£	£
1914-15 R.	18,928,551	10,529,017	7,202,658	3,973,310	5,140,725	1,244,095
E.	17,935,748	11,706,968	7,199,399	4,662,395	5,706,542	1,384,150
	992,803	-1,177,951	3,259	-689,085	-565,817	-140,055
1915-16 R.	19,629,442	11,470,875	7,706,365	4,356,967	5,356,978	1,376,493
E.	18,931,814	11,683,363	7,671,573	4,741,377	5,705,201	1,340,711
	697,628	-212,488	34,792	-384,410	-348,223	35,782
1916-17 R.	20,537,835	11,813,879	7,880,893	4,874,603	4,577,007	1,369,368
E.	20,806,633	11,795,295	8,134,387	5,190,453	5,276,764	1,412,893
	-268,798	18,584	-253,494	-315,850	-699,757	-43,525
1917-18 R.	21,577,229	12,672,787	8,491,482	5,526,226	4,622,536	1,503,047
E.	21,553,405	12,631,169	8,900,934	5,500,419	5,328,279	1,459,748
	23,824	41,618	-409,452	25,807	-705,743	43,299
1918-19 R.	23,448,166	13,044,088	9,415,543	5,798,313	4,944,850	1,581,984
E.	23,233,398	13,023,407	9,587,532	5,876,811	5,596,864	1,644,512
	214,768	20,681	-171,989	-78,498	-652,014	-62,528
1919-20 R.	28,650,496	15,866,184	11,293,743	6,582,788	5,863,501	1,815,031
E.	30,210,013	15,752,459	11,266,910	6,457,039	6,531,725	1,828,301
	-1,559,517	113,725	26,833	125,749	-668,224	-13,270

These figures show that during six years of expanding revenue the expenditure of the States increased in a marked degree; so that, while New South Wales and Victoria had deficits in two years, Queensland in three, South Australia and Tasmania failed to make their budgets balance in four years, and Western Australia had a deficit every year.

II

Until heavy war expenditure made demands upon the financial resources of the Commonwealth which could not be met from revenue, the Federal Government had paid for public works without resort to the money market. Until 1911 there was no Commonwealth debt. But in that year the taking over from South Australia of the Northern Territory and of the railway from Port Augusta to Oodnadatta necessitated the taking over also of the debt upon these, amounting to more than £6,000,000.⁹ The requirements of the projected railway to Western Australia and of the Federal Capital Territory also made it expedient to raise a Commonwealth Loan Fund. Public borrowing was not, however, required for these purposes. The Treasury borrowed, first from the General Trust Fund and later from the maturing investments and profits of the Commonwealth Notes Fund, the Government paying 3½ per cent. for the money used. By the 30th of June, 1914, the Commonwealth debt had grown to £19,182,333.

The States had been large borrowers. Their public debts on 30th June, 1914, totalled £317,598,788. In all the States public works were in progress which their governments had expected to finance from loan money, and other works were projected for which they hoped to be able to provide in the same manner. The needs of the States and the certainty that the war would make severe demands upon the financial resources of the Commonwealth made it desirable that the seven governments should carefully examine the position soon after the war began. For this purpose the Cook Government conferred with the Premiers of the States in Melbourne during the 11th-14th of August, 1914. The Commonwealth Government was represented by Mr. Joseph Cook and Sir William Irvine.¹⁰ Mr. Fisher and Mr. Hughes were invited to be present as the chief members of the Federal Labour Party. Five of the State Premiers attended, namely, Sir

⁹ £3,931,086 for the development of the Territory, and £2,273,937 for the railway.

¹⁰ In addition Senator Millen and Messrs. Glynn, W. L. Baillieu, Hagelthorn, Groom, and Kelly attended at various times.

Alexander Peacock (Victoria), Mr. Holman (New South Wales), Mr. Denham (Queensland), Mr. Peake (South Australia), and Mr. Earle (Tasmania). The Western Australian Premier, Mr. Scaddan, was not able to reach Melbourne in time.¹¹ The conference recognised the duty of the Commonwealth to concentrate its financial capacity upon immediate and prospective military demands, and the desirability of procuring for the States assistance to enable them to carry out their programmes of public works.

The ensuing general election caused a postponement of further consultation between the Commonwealth and the States upon financial questions; but soon after Mr. Fisher came into office (the 17th of September, 1914) the financial position gave him some uneasiness. "Finding the position unsatisfactory," he said, reviewing the occurrences in his budget speech, "I immediately invited Sir Alexander Peacock, as the available representative of the States, to meet me, and made him acquainted with the position, and made certain proposals, which I desired him to communicate to the Premiers of the States. I also communicated with the representatives of the associated banks here, with the same object in view. It was then obvious that the Commonwealth was not in a position to find the necessary money to finance the States, together with its own war and other expenditure, without resorting to the London money market."¹²

But the London money market was not easy of access at that time. The British Exchequer offered strong objections to Australian loans being floated for public works purposes, though willing to assist in financing Australian war obligations. It was realised that the financial resources of Great Britain would be strained to meet the demands of the war. Hardly any money was being spent on other than war purposes by the Government in the United Kingdom, nor were municipal loans, even for very desirable purposes, favoured. With what justification, then, it was urged, could the Government consent to money being borrowed for the Australian States? Moreover, said Mr. Lloyd George to a State treasury officer

¹¹ See also pp 27-30

¹² *Parliamentary Debates*, LXXV, 1340

in London, "how can the Commonwealth Government expect to recruit by voluntary enlistment, if the States spend millions upon public works which will give profitable employment to thousands of men who ought to enlist?" Mr. Fisher knew that he would have a difficult task to induce the financial advisers of the British Government to relax. He approached them by a telegram on the 16th of October, 1914, in which he said:

After careful consideration of the financial position, the Commonwealth Government has come to the conclusion that the best course is to approach His Majesty's Government on behalf of the States. The States require, say, £20,000,000, for reproductive works, mostly railways and water works, during the next twelve months. The Commonwealth is acting with and for the States in the matter, and will guarantee a joint loan to be raised in London for all the States except Queensland, which does not require money at present. Commonwealth Government would be glad of the assistance and advice of His Majesty's Government in this matter. If £20,000,000 can be raised in London for the States, the Commonwealth will be able to raise in Australia sufficient funds for all its requirements during this financial year, including full cost here and abroad of expeditionary force. Would be glad to learn your views as soon as convenient, and if His Majesty's Government is willing to assist, would be pleased to know in what form such assistance would be rendered.

The Secretary of State replied (October 22nd):

His Majesty's Government most earnestly trust that your ministers will not press for £20,000,000 loan for reproductive works. All such works have had to be reduced and controlled here. The financial situation here is not for the present serious, but the war expenditure is enormous, and we shall soon feel the strain if the war lasts, as it possibly will, from one to two years. The expenses and liabilities to the Allies and other dominions for purely war expenditure are even now becoming very pressing. Of course we should be prepared to help Australia for special expenditure for war purposes.

The reply (October 23rd) was:

Commonwealth Government thanks the British Government for interest shown in proposal submitted to Chancellor of the Exchequer for advice and assistance in connection with raising loan of £20,000,000 in London in behalf of States of New South Wales, Victoria, South Australia, Western Australia, and Tasmania. Fearing the position may not have been fully understood, the following facts are submitted with request that they be carefully considered. Position of the Commonwealth in this matter is purely to arrange for and guarantee for the first time a joint loan for five States, and for their purposes only. The sums asked for are spread over the next twelve months as follows: New South Wales £8,500,000, Victoria £4,500,000, South

Australia £3,000,000, Western Australia £3,500,000, Tasmania £500,000; for which ten monthly loans of £2,000,000 each commencing 1st December would suffice. Suggest if British Government unfavourable to arrange this, they might agree to finance difference between the amounts we could borrow monthly on open market and above-mentioned sum of £2,000,000 monthly. Commonwealth Government have been proud to equip and transport troops to the theatre of war, and their great desire is to meet the cost out of their own resources. Inclusion of any Australian war expenditure in imperial loan at present would we fear cause great disappointment and frustrate laudable ambitions.

The British Government replied that it would be impossible to provide for the amount required in an imperial war loan, for the reasons stated; but no objection was offered to assisting the Commonwealth Government to raise money in London for war purposes. Mr. Fisher grasped at this opportunity with a modified proposal, in which he said (October 27th):

Realising that all loans raised by His Majesty's Government for the dominions shall be for war purposes only, Commonwealth would be glad if His Majesty's Government would include in imperial war loan £18,000,000 for Commonwealth war expenditure estimated for next twelve months. If approved would be glad if funds could be made available at rate of £1,500,000 per month or £4,500,000 per quarter.

The Secretary of State replied on the same day that "His Majesty's Government will be very happy include in their war loan . . . £18,000,000 required by Australia for war expenditure for next twelve months," and Mr. Fisher (October 28th) telegraphed "Thank you heartily."¹³ What happened, therefore, was that, though the British Government would not sanction borrowing in London for States' public works, they included in the war loan offered to the public in December £18,000,000 for the Commonwealth. On November 5th, at a conference with the State Premiers, Mr. Fisher agreed to lend them £18,000,000 for the carrying on of their public works, the Premiers on their side undertaking not to borrow further money, except for loan renewals, for a year. Queensland, having sufficient funds in hand, did not share in the loan.¹⁴

In the second year of the war it became apparent that the financial strain upon Australia would be much more severe than was anticipated in 1914. The military forces raised by

¹³ The first British war loan, Nov. 1914, was of £350,000,000. See F. L. McVey, *The Financial History of Great Britain, 1914-18*, p. 49.

¹⁴ In explaining this transaction to Parliament in his budget speech, 3 Dec., 1914, Mr. Fisher said: "After negotiations, it was agreed between the Commonwealth

the Commonwealth were larger than had been anticipated, and the call for men was still insistent. Consequently the cost of the war effort greatly exceeded all estimates. The response of the Australian public, when an appeal was made for a local war loan, was enthusiastic. In 1915 the Government obtained from Parliament authority to raise in Australia loans to the amount of £38,000,000, and, when the first issue of £5,000,000 at $4\frac{1}{2}$ per cent. was placed upon the market towards the end of the year, it was subscribed to more than two and a half times the amount required, no less than £13,389,440 being offered by the investing public. But it became evident that, if the war lasted several years, and the cost to Australia continued to increase at the rate so far indicated, the Commonwealth Government would be compelled to borrow largely. In August, 1915, therefore, a high authority whose name carried weight in British financial circles made a discreet enquiry. Would it be possible, if deemed desirable, for Australia to participate in future British war loans for purely war purposes? The Lords Commissioners of the Treasury cautiously enquired whether it was meant that local loans might prove insufficient. It was explained in reply that in all probability the money that could be locally raised would be insufficient if, say, Australia despatched 200,000 men. The States were being lent £18,000,000 from the Notes Fund, and it was very desirable to keep them off the local money market, in order that all loan money should be confined to war purposes.¹⁵

and the States that the Commonwealth should act for the States and guarantee with them a loan of £20,000,000, to be raised in London. It was soon discovered that the state of the money market was so unsatisfactory that, although terms were quoted, I could not recommend them as acceptable. During further negotiations it became known that the British Government would lend the Commonwealth money to pay our war expenditure. It was the desire of this Government that we should not borrow for war expenditure during this financial year, but yielding to the pressure of the situation, and with a view to strengthening the financial position of Australia generally, I requested the British Government to include in their war loan £18,000,000 for the Commonwealth, and it cheerfully assented. . . . Associated with that transaction was an agreement made with the associated banks whereby they should give to the Commonwealth £10,000,000 in gold for Australian notes. In undertaking this financial transaction, I impressed upon the banks' representatives that, as Treasurer, I should require their assistance, and they, recognising the national emergency, cheerfully agreed to render the Government every possible aid in their power. It should be clearly understood that the £10,000,000 advanced by the banks will be redeemed at the close of the war. These arrangements made it possible for the Commonwealth to make available to the States, at a low rate of interest, having regard to the state of the money market, a sum equal to the amount the Commonwealth Government itself had borrowed from the British Government."

¹⁵ See Mr. Fisher's ministerial statement, *Parliamentary Debates*, LXXVI, 2304.

The question of financial relations with the dominions had already been engaging the attention of the British Treasury, since Australia was not the only dominion which made enquiries as to the possibility of raising money in London. Conferences took place in March, 1915, between British Treasury officials and representatives of the dominions with a view of determining lines of financial policy. The dominions were requested to formulate their requirements up to the end of 1915 under three headings: (a) war expenditure; (b) money required for renewing obligations, *i.e.*, converting current loans; and (c) money required for new works and other services. The Chancellor of the Exchequer was most emphatic on the point that it was essential that expenditure on works and other services, so far as these were dependent upon loans, should be cut down to the absolute minimum. Great Britain herself had been compelled to adopt this policy, and the dominions, with their component states, must do the same. He suggested that expenditure on works should be confined to those already contracted for and actually under construction. The British Treasury agreed to finance the dominions to the amount required for war expenditure, on terms on which the British Government itself raised money for the prosecution of the war; and the amounts which were to be lent during 1915 were fixed as follows: Canada £18,000,000; Australia, £6,500,000; New Zealand, £7,000,000; South Africa, £9,000,000.

As to expenditure not falling within the category of war costs, it was agreed that the dominions should be permitted to borrow in the open market such sums as they could satisfy the Treasury were required to complete works under construction. The Treasury reserved the right to scrutinise all applications. It was also agreed that there was no objection to the dominions borrowing for the renewal of existing loans falling due. But the Chancellor of the Exchequer stated positively that permission would not be given to borrow for new works or extensions.

The firmness of the Chancellor's statement was prompted by the magnitude of the Australian requirements for 1915

They amounted to no less than £51,528,000, made up of the following items:

Commonwealth war loan	£6,500,000
balance of 1914 loan	12,000,000
for works	3,500,000
for extensions	5,000,000
	<hr/> £27,000,000
New South Wales, renewals	£5,300,000
contracted or under-	
taken	4,250,000
Victoria, works	1,500,000
Queensland, renewals	11,728,000
South Australia, works	250,000
Western Australia, renewals	780,000
works	220,000
for drought	500,000
	<hr/> £24,528,000
	<hr/> £51,528,000

The Exchequer treated the Commonwealth and the Australian States on an equality in the application of the principle which had been laid down. Thus, while New South Wales, Victoria, and Queensland were permitted to go upon the London money market for loans for renewals and public works already undertaken, the Commonwealth was refused the £5,000,000 asked for extensions. Mr. Fisher thought it necessary to complain because the British Treasury, evidently basing its action on the constitutional position in the several dominions, treated Australia as consisting of seven independent borrowing authorities, while it treated Canada, New Zealand, and South Africa each as one. Mr. Fisher considered that this was not merely disadvantageous to the Commonwealth in respect to its war finance, but disastrous to Australian credit, because the competition of the six States made it more difficult for the Commonwealth Government to finance its war obligations. That government had undertaken responsibilities for the construction of the transcontinental railway, and for defence works. Yet, while the British Government had refused to sanction a loan for these purposes, it had permitted States

to go upon the money market for loans for public works already under construction. The Commonwealth Government had not objected to this discrimination, but Mr. Fisher thought that the time had come when for the protection of Australian credit there should be one borrower on the London market. He therefore suggested that during the war the British Government should treat only with the Commonwealth Government in monetary matters. To this suggestion the Secretary of State for the Colonies replied that a determination to treat only with the Commonwealth would raise important constitutional issues, involving the powers of the Australian State governments, on which it would be undesirable for the British Government to express an opinion.

The Commonwealth Government endeavoured to bring the six States into an agreement whereby all overseas public borrowing should be conducted through its agency. At a conference in the first week of November, 1915, five States agreed to this policy, but New South Wales refused to be a party to it. The agreement was made for two years, and applied only to overseas borrowing. The States were still at liberty to raise local loans, subject to the limitation that they were not to go upon the Australian money market until the requirements of the Commonwealth for money for war purposes had been satisfied.¹⁶

The States required £12,000,000 during the thirteen months from the beginning of December, 1915, to the end of 1916. In December they began to press the Commonwealth Government for advances, and their pressure was reported to be an embarrassment to the Commonwealth Treasury. Information to this effect again awakened the reluctance of the British financial advisers. There was no objection to lending the Commonwealth an additional £25,000,000 for war purposes, but the Secretary of State cabled that "in view of the present financial situation and outlook" the Exchequer felt that no lump sum could be agreed to without scrutiny of the purposes to which the money was to be applied. Meanwhile New South Wales had been allowed to raise a loan of £2,000,000 in London; and there was a not unnatural feeling, on the part

¹⁶ The terms of the agreement of 6 Nov., 1915, were quoted by Mr. Poynton in his budget speech of 8 Oct., 1919. See *Parliamentary Debates*, XC, 13076.

of the Commonwealth and the five States which were parties to the agreement of November, that their claims were prejudiced, and that undue favour was shown to the one State which insisted on playing a lone hand. The Secretary of State for the Colonies, Mr. Bonar Law, was brought into the controversy. He went to the length of writing to the Treasury asking for a reconsideration of the Commonwealth's case. But, even in face of this influence, the Treasury expressed its repugnance to authorising the flotation of loans unless details were submitted. As the Lords of the Treasury said, they "could not agree to a globular total without regard to the specific purposes for which the money is required." They attached great importance to the principle that "during the war recourse must be had to the London money market only for loans for the purposes of (1) payment of maturing obligations, (2) actual commitments under contracts placed before the outbreak of the war, and (3) expenditure necessarily incurred in respect of works already in progress." These restrictions, it was again pointed out, had been imposed upon local authorities in the United Kingdom, and must be applied with even greater strictness in the future.

While the British Treasury felt obliged to restrict the amount of borrowing by Australia in London, it showed itself fully alive to the financial difficulties of the Commonwealth, and made suggestions for meeting them. The Chancellor of the Exchequer, Mr. McKenna,¹⁷ in a statement in the House of Commons (30th June, 1915), discouraged the investment of money in British war loans by residents in the dominions, reminding them that they could render greater service to the Empire by lending to their own governments, thereby reducing the calls which those governments were inclined to make upon the resources of the United Kingdom. At this time the Australian Government had not yet floated a local war loan. The Imperial Government was prompted to point to the existence overseas of considerable private funds which were not being invested for war purposes.¹⁸ On both financial and

¹⁷ Rt. Hon. R. McKenna. First Lord of the Admiralty, 1908/11; Home Secretary, 1911/15, Chancellor of the Exchequer, 1915/16; Chairman of Midland Bank, since 1919. B. London, 6 July, 1863.

¹⁸ The Australian stock exchanges which had closed shortly after the beginning of the war reopened at Sydney and Adelaide on September 21st and at Melbourne on the 28th

patriotic grounds, these monies might readily be subscribed for local loans, if these were guaranteed by the Imperial Government. That government therefore (July, 1915) offered to guarantee principal and interest on local loans the proceeds of which were entirely devoted to war purposes. The Australian Government replied that it had already decided to raise such a loan. No advantage was taken of the offers to guarantee.

In 1917, when financial considerations were again urgent, the British Treasury suggested that immediate steps should be taken by the Commonwealth to raise money in the United States. It was understood that there were prospects of a favourable reception in New York for dominion issues for other than war expenditure. But, when asked whether the Treasury would act as agent for the Commonwealth in the American money market, the Secretary of State had to reply that that course was not favoured. American borrowing, however, was not considered by Commonwealth authorities to be desirable, partly because if the States found that they could raise money freely in New York they would not be inclined to curb unnecessary expenditure, and partly because, while the gain from easing the existing financial situation would be temporary, such action would tend to divert trade from British channels, and to that extent weaken the financial relations between Australia and Great Britain.

The objection of New South Wales to borrow only through the Commonwealth persisted till 1918. Mr. Holman, the New South Wales Premier, even then desired that his State should preserve its freedom of action. He said that he had discussed the matter several times with his colleagues, but "on each occasion we came invariably to the position that we should not join in." Unanimous agreement between Commonwealth and States was not reached until Mr. Watt became Commonwealth Treasurer. At a conference of Treasurers held in Melbourne in July, 1918, he strongly pressed for an agreement, pointing out that the State debts had already largely increased, and sharply commenting, "You cannot go on indefinitely increasing your indebtedness." Mr. Holman relaxed to the point of admitting that "if the war lasts all public works will have to cease," and Mr. Watt urged that it

should be proclaimed that "the ordinary services of the Commonwealth and States should increase no further in the aggregate during the war." When Sir Richard Butler,¹⁹ the South Australian Treasurer, stated that his State was only spending a million and a half during the next eighteen months, Mr. Watt asked, "What are you spending it on?" "Locking the Murray, draining in the south-east, water schemes, broadening railway gauges," replied Sir Richard. "Developmental operations should be arrested in war times," Mr. Watt insisted. Finally, by pressure combined with tactful handling, the Commonwealth Treasurer had his way, when Mr. Theodore, the Queensland Treasurer, moved and the conference carried the resolution, that, "in the unanimous opinion of the Treasurers at this Conference, the ordinary aggregate expenditure of all Commonwealth and State departments should not be further increased during the war."²⁰

But the war, though raging fiercely when this self-denying ordinance was passed, came to an end within a little more than three months, so that the virtuous intent had little time to make much difference to the total of State borrowings during the period when, if British example and precept had conduced to financial restraint, the resources of the Commonwealth in cash and credit would have been in large measure concentrated upon the supreme need. That disposition having been absent, the borrowings of the States between 1914 and 1920 were very large. The figures were:

State Debts

N.S.Wales. Victoria. Q'land. South Aust. West Aust. Tasmania.

In 1914:

£116,695,031 £66,130,726 £54,523,506 £33,564,332 £34,420,181 £12,265,012

In 1920:

152,776,082 87,647,739 69,680,764 43,753,146 46,822,003 16,630,038

£36,081,051 £21,517,013 £15,157,258 £10,188,814 £12,401,822 £4,365,026

Total in 1914 £317,598,788

1920 £417,309,772

Total increase £99,710,984

¹⁹ Hon. Sir Richard Butler. M.H.A., S. Aust., 1890/1925. Of Adelaide; b Oxford, Eng., 3 Dec., 1850. Died, 28 April, 1925.

²⁰ Report of conference in *Commonwealth Parliamentary Papers, 1917-19, Vol. IV* pp. 24-33.

The Commonwealth would have had a stronger case in pressing the States to reduce to a minimum their expenditure on public works if it had been assiduous throughout the war period to reduce its own expenditure in similar directions. But an examination of the schedules of "additions, new works and buildings" attached to the estimates laid before Parliament in those years does not reveal an economical disposition. The formation of a separate Department of Works and Railways in 1916, and the consequent removal of responsibility for such works from the Department of Home Affairs, led to the presentation of the figures in a different manner, so that it is difficult to make an exact comparison between the expenditure in 1914 and 1920, as can be done in the case of the States; and a further difficulty occurs through part of the expenditure being borne from the consolidated revenue and part from loan money. But the Commonwealth works' expenditure was considerable throughout the war. That it was expenditure on works which were necessary, such as the construction of the Transcontinental Railway, can be maintained, but the States were entitled to say the same of theirs, which they were chided for incurring. The real seriousness of the war, its duration, the huge financial drain, with the shifts and expedients it would entail, were all under-estimated, alike by public men and by the people at large. It was freely said, and believed with infantile optimism, in the early months of the vast conflict, that the slogan of the Allies was "business as usual." Nothing was "as usual" in 1914-19, and the financial derangement was part of the terrific confusion of all things.

III

The cost of the war to Australia between 1914-15 and 1919-20 (including interest and sinking fund but not war gratuities) was £333,594.954 plus £43,398,098, *i.e.*, £376,993,052. The first of these amounts was the actual expenditure of the Commonwealth on war services during the years mentioned, and that expenditure was met out of loan money to the extent of £262,507,829, and out of revenue to the extent of

£71,087,125 (including interest and sinking fund charges amounting to £46,469,102).²¹

The smaller sum, £43,398,098, consisted of indebtedness to the Government of the United Kingdom for payments made, services rendered, and goods supplied to or on behalf of the Australian army during the war.²² But the total cost of the war is not comprehended within the expenditure to the end of the financial year 1919-20. Expenditure on repatriation and pensions was a direct consequence of the war, and that continued to be a very heavy drain upon the finances of the Commonwealth in later years. The total cost to 30th June, 1934, had reached the figure of £831,280,947, inclusive of war gratuities, interest and sinking fund.²³

The prodigious cost of modern warfare in comparison with previous wars, and the way in which that cost weighed upon a country like Australia, with a small population, may be illustrated from a few facts. The war of the Spanish Succession lasted eleven years, 1702-13, and its average yearly cost to England was something over £4,000,000.²⁴ In 1815 Great Britain emerged victorious from the French revolutionary and Napoleonic wars, which had raged for nearly a quarter of a century. In 1792 her national debt had stood at £239,650,000; in 1815 it amounted to £861,000,000, the increase, £621,350,000, being due entirely to war expenditure.²⁵ The Crimean War lasted three years, 1854-56, and one of the soundest histories of the period relates that "the nation became less eager for military enterprise when it learnt from the lips of the Chancellor of the Exchequer that the war might be computed to have cost England in three years no less a sum than £77,588,000."²⁶ In one year, 1918-19, the cost of war services to the Commonwealth of Australia was £80,802,181, substantially more than the expenditure of Great Britain upon three years of warfare in the Crimea, and more than the entire cost to her of the War of the Spanish Succession. The financial strain upon Australia may be judged from the facts that her population in 1914 numbered no more than 4,940,952,

²¹ From figures supplied by the Commonwealth Treasury.

²² See pp. 232-5.

²³ *Commonwealth Year Book*, 1935, p. 476.

²⁴ G. M. Trevelyan, *England Under Queen Anne: Blenheim*, p. 291.

²⁵ Spencer Walpole, *A History of England from the Conclusion of the Great War in 1815*, Vol. I, p. 28.

²⁶ *Political History of England*, Vol. XII (Low and Sanders), pp. 125-6.

while the population of the British Isles when Great Britain entered upon the Crimean War was over 27,000,000.²⁷

Included in the total war expenditure of Australia was a sum of £27,504,193, paid in the form of war gratuities under the War Gratuity Acts, 1920. This measure, which was introduced by Mr. Hughes, provided for the payment of a gratuity to every soldier, sailor, or nurse who served with the Australian forces, and to certain reservists of the British Army and Navy, and the next-of-kin of soldiers who fell in the war. Mr. Hughes informed Parliament that the proposal had been brought under his notice by the Returned Sailors' and Soldiers' Imperial League, who pointed out that gratuities had been granted in other parts of the Empire. It is probable that, when the matter was first mooted, the gratuity was not expected by the majority of the then returning troops, who recognised that their remuneration had been more liberal than that of others, and most of whom, on discharge, received a round sum as deferred pay. The initiative, as a matter of fact, came from the Returned Sailors' and Soldiers' Imperial League of Australia,²⁸ an organisation which, although then still in its early years, was to play a powerful part in Australian affairs during the next generation. The semi-official history of the League²⁹ claims that the successful campaign for the war gratuity was "the most striking achievement of the League," and that verdict does not overstate the position. It was learned that war gratuities had been granted to soldiers in Great Britain, the United States, and some other countries; and although undeniably Australia had treated her soldiers liberally in the matter of pensions, war service homes, and land settlement, still, a gratuity would be a very welcome means of giving men a fresh start in life; and the League determined to use its influence to overcome the reluctance of the Commonwealth Government to increase its repatriation responsibilities.

The general election of 1919 gave to the executive of the League a favourable opportunity of pressing the question. Its

²⁷ At the census of 1851, the population of the British Isles was 27,508,736. For purposes of exact comparison, allowance has to be made for the changes in the purchasing power of money.

²⁸ Formed on 3 June, 1916.

²⁹ *The Returned Sailors' and Soldiers' Imperial League of Australia Its Origin, History, Achievements, and Ideals*, by Dr. Loftus Hills.

members included supporters of both the Ministerial and the Labour parties, but they were united on the gratuity question, and their political influence at this time was too great to be ignored. According to its history, the League's officials "had received information that a committee had recommended that a gratuity could not be paid owing to the enormous cost." A campaign was therefore organised. Mr. Hughes's first cautious response was not quite satisfactory: "I am in favour of Australia treating her soldiers as generously as other countries have treated theirs"; but it might well be argued that Australia had already done that. The League insisted on the gratuity. "The sub-committee," records the chronicler of the League, "had in all eight interviews with the Prime Minister, and they were not, at times, run on the lines of a Sunday-school conversazione."

At length the gratuity was promised, not without restrained protest from some of those who had throughout the war been among the soldiers' staunchest supporters. The transaction had obviously been a bid for the soldier vote.⁸⁰ The saving feature, according to *The Argus*, was the fact that the gratuity was not to be paid in cash. Mr. Hughes said that he was not Aaron—he could not make the rock gush by merely striking it. He undertook that payment should be made in non-negotiable bonds for about £25,000,000 immediately redeemable in necessitous cases, and acceptable in payment for houses, land, and other benefits under the repatriation scheme. The demand for cash payment continuing, Mr. Hughes later guaranteed that the whole of Australia's share in the reparations payable by Germany—estimated at "anything between £7,000,000 and £15,000,000"—should be earmarked for this purpose; if the reparations received on or before May, 1921, did not reach £10,000,000, the Government would make up the deficiency. Over and above this he subsequently arranged for the immediate cashing of £6,000,000 by the banks. Large numbers of employers agreed to cash the bonds of their employees. Insurance companies agreed to accept them in payment of premiums.

⁸⁰ In New Zealand a similar demand had been met by the Government bidding a gratuity of 1s. 6d. per day, on which Sir Joseph Ward bid 2s., another politician 2s. 6d., and the Labour party 4s. The New Zealand Government, however, on a party vote, carried its proposal of 1s. 6d.

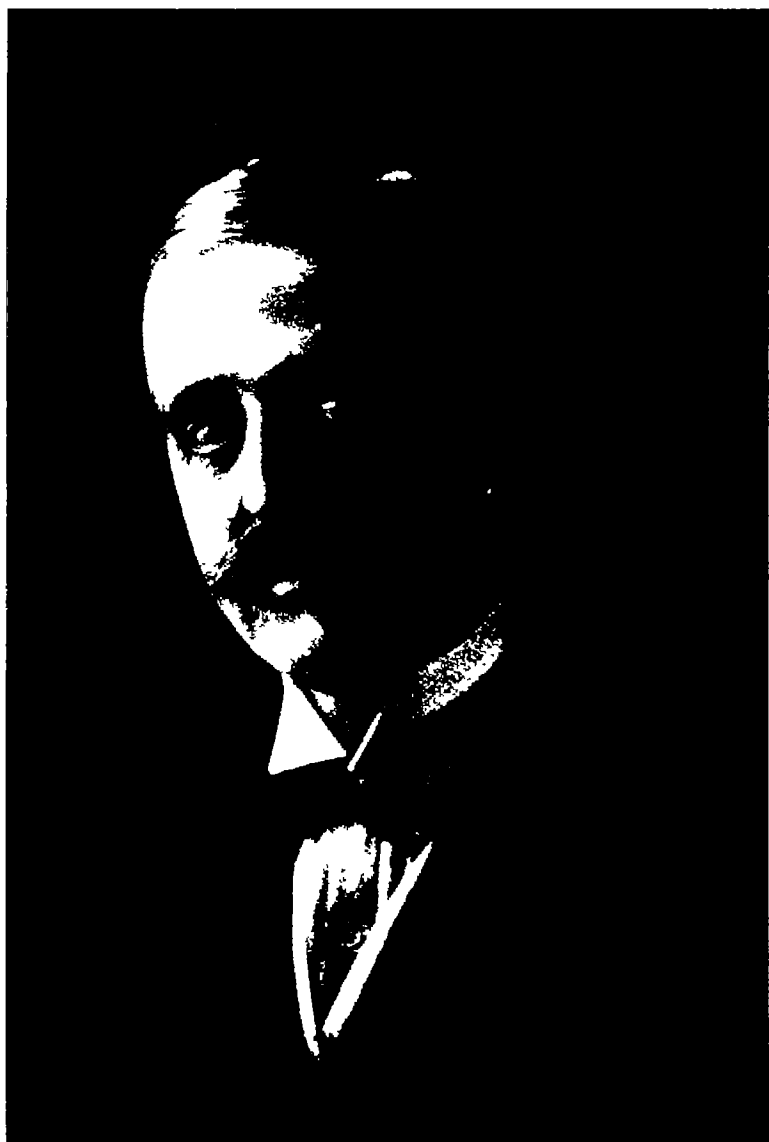


40. THE SEVENTH WAR LOAN

A meeting in Martin Place, Sydney, 30th September, 1918

Lent by the Commonwealth Bank

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41. SIR DENISON MILLER, FIRST GOVERNOR OF THE COMMONWEALTH
BANK OF AUSTRALIA (1912-23)

Photo by May Moore, Sydney

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The gratuity was assessed at the rate of 1s. 6d. a day from time of embarkation to the date of the signing of peace, the 28th of June, 1919.³¹ The plan satisfied the executive of the League, who accepted the contention that the Commonwealth could not, in view of its commitments, agree to make immediate cash payments to so large an extent. But the opponents of the Government at the election, bidding for the soldiers' vote, undertook that, if returned to power, they would pay the gratuity in cash; and the election of 1919 was fought, if not on this cash or bond issue entirely, certainly with that issue kept prominently before the minds of the electors.

The Nationalist Government was, however, returned again, and the promises were redeemed by the passing of the War Gratuity Acts, 1920. The bonds issued in accordance with it were maturable in 1924, and bore interest at 5½ per cent. In necessitous cases payment was made in cash. The first gratuities were made available in June, 1920. The total amount paid to the 30th of June, 1934, was £27,504,193. In practice, the greater part of the bonds were converted into cash before many years had passed. Undoubtedly a certain part of the money furnished in this manner was wasted, how great or small a part can never be known. But much went into business or the furnishing of homes.³²

Seven war loans were floated by the Commonwealth Government within Australia during the currency of the war, and three peace loans, mainly for expenditure rising out of the war, were floated after the cessation of hostilities. The total amount subscribed to these loans was £250,172,440. It is a remarkable fact that the whole of the war loans were over-subscribed. The number of subscribers was no less remarkable. For the seventh loan, no fewer than 242,210 persons bought bonds and stock, justifying the comment of the Governor of the Commonwealth Bank, Denison Miller,³³ that it was "a stupendous achievement for Australian patriotism." "Some idea of the magnitude of this result," wrote the

³¹ There was a different rate for men who enlisted for oversea service, but actually served only in Australia. A similar rule applied in the case of the Navy.

³² For the use of War Gratuity bonds in founding industries, see p 855

³³ Sir Denison Miller, K.C.M.G. Governor of C'wealth Bank of Australia, 1912/23. Of Sydney, b. Fairy Meadow, N.S.W., 8 March, 1860. Died, 6 June, 1923.

publicity officer "can be gathered from the fact that at this particular period there were in Australia just a little more than 1,000,000 dwellings, which meant that practically one household in every four throughout the whole of the Commonwealth contributed, to the Loan, and it must be remembered, too, that many of those householders who did not subscribe to the Seventh War Loan were unable to do so because they were already heavily involved in connection with the previous issues."³⁴

Mr. Watt, while he held the office of Treasurer, announced (25th September, 1918) that it was the intention of the Government to introduce legislation compelling all persons to contribute to war loans in proportion to their means. It was within the knowledge of the Treasury, he stated, that there were many persons possessing ample means who had not subscribed, or whose subscriptions were not so large as might have been expected of them. "While relying, as in the past," said Mr. Watt, "upon the patriotic spirit of the people to furnish the major portion of our loan supplies voluntarily, it has been determined that in so far as subscriptions to any war loan fall short of the amount required, resort must be made to compulsion."

The War Loan Subscriptions Bill, the second reading of which was moved in the House of Representatives on 9th October, 1918, accordingly made provision for compelling every person to subscribe to any war loan a sum equal in any given year to six times his yearly average income tax paid during the previous three years. Mr. Watt was able to state in support of the measure that the principal financial institutions of the country approved of it.³⁵ The bill was introduced on the eve of the flotation of the seventh war loan, when there was some anxiety as to whether the amount required would be subscribed. It was in the nature of a threatening gesture. On the one occasion when it was debated, strong objection was taken on the ground that it was harsh. But by that time the war was over; and whatever arguments could be advanced

³⁴ Faulkner, *The Commonwealth Bank of Australia*, p. 102. See the analysis of Commonwealth war and peace loans in the same volume, p. 157. The statement quoted is that of Capt. G. M. Dash.

³⁵ *Parliamentary Debates*, LXXXVI, p. 6709. It had been suggested early in the war (by Mr. H. Gregory, M.P., among others) that loans should be compulsory and the maximum interest 3 per cent.

in support of compulsion in the case of war loans, did not apply to loans in time of peace. The bill, therefore, was not proceeded with, even as far as taking a vote on the motion for the second reading. It was tactfully dropped.

In all probability it was the size of the sum, £40,000,000, required for the seventh war loan that, not unreasonably, suggested a doubt as to whether the flotation would be successful without some such stimulus; and it is also probable that a proportion of the very large number of 242,210 investors in this loan were influenced by the threat. But the loan was in fact over-subscribed, no less than £44,056,500 being offered; and success so eminent, coming after more than £144,000,000 had been subscribed for the six previous war loans, testified to the eager patriotism of the people, their confidence, and the financial resilience of the country. It also has to be remembered that "those relatively few citizens who did not contribute directly to any of the loans, had the subscribing done for them by banks, friendly societies, savings banks and insurance institutions, whose clients comprise more than two-thirds of the population of Australia."⁸⁰

The floating of the war loans called for almost as much attention in the arousing of public interest and enthusiasm as went to the promotion of recruiting. The banks displayed large signs inviting the public to subscribe, and made advances to investors to enable them to do so; members of the stock exchanges circularised their clients; appeals were made by mid-day addresses in places frequented by large crowds of people; effective slogans were coined and given currency; attractive posters were printed; and various clever and effective devices were invented. An actual "tank," imported from Great Britain for the purpose, lumbered along the streets of the principal cities, with wicked-looking guns protruding from its slate-coloured armour. Aeroplanes droned above the roofs, and suddenly a 'plane would swoop and discharge a sackful of little printed leaflets commending the war loan, the paper flakes suggesting a snow storm. In Sydney a model ship-of-war was set up in Martin-place, manned and guarded by bluejackets, while the duty of subscribing to the seventh war loan was commended from her deck beneath a fluttering Union

⁸⁰ Faulkner, *The Commonwealth Bank of Australia* p. 105

Jack. An effective "barometer" was erected in each of the capital cities, by means of which the public could see at a glance what proportion of the required £40,000,000 was expected to be raised in each State and how much had been subscribed up-to-date, while the hands of a large clock above the barometer told of the sum still to be raised, and appealed to the public to "Help move the hand."

The officers of the Commonwealth Bank displayed remarkable organising ability in promoting the loan, and it enjoyed throughout the hearty co-operation of the great trading banks and the government savings banks. The propaganda was not, perhaps, orthodox in its methods, judged by the dignified standards normally favoured by the financial fraternity, but the times were extraordinary, and the bankers moved with them. A surprising circumstance, considering the extent and nature of the propaganda, is that the loans were floated so cheaply. "The total flotation expenses of the ten loans amounted," says the historian of the Bank, "to £705,747,"³⁷ or about 5s. 7d. per cent. of the amount raised—a result directly due to the enthusiastic helpfulness that was general throughout the nation.

In addition to the regular war loans, war savings certificates were issued from 1917, while Sir John Forrest was Treasurer, and War Savings Committees were instituted in all States for organising the purchase of them. They were issued in denominations as high as £1,000 and as low as £1, the intention being to encourage people who had only small sums to lend to the Government to use their savings for this purpose. The certificates bore interest at 5 per cent. As many as 1,065,739 were issued, to the amount of £7,369,753. War savings stamps realised £174,521.³⁸

³⁷ Faulkner, pp. 105-6. Some of the figures shown in the *Commonwealth Year Book* differ from these, but not materially. The comparison made in that history between the usual cost of floating loans in London and the costs here cited, leaves out of account many factors (such as underwriting charges, stamp duty, discount, etc.) which render true comparison impossible. None of the war loans raised in Australia, or by the British Government in Great Britain, during the war was underwritten. A number of the British loans were, however, issued at a discount or, if issued at par, were repayable at £102, £103, or £105 according to date.

³⁸ War savings certificates were issued at the rate of 12s., 15s., and 17s. 6d. per £1 of face value according to whether the duration of the security was 10, 5, or 3 years. The actual cash received from this source was £6,462,513 11s. 6d., representing, apparently, £7,369,753 in face value. In terms of the prospectus war savings stamps were convertible into certificates, and stamps to the value of some £160,000 were so dealt with.

IV

The note issue was freely used by the Government to assist its financial operations. In June, 1914, the quantity of Australian notes in circulation was £9,573,738. In June, 1920, the notes in circulation amounted to £56,949,030. The maximum issue was reached in June, 1921, with a total of £58,228,070. But inasmuch as the export of gold was prohibited—except through the agency of the Gold Producers' Association, which was not formed till 1919—the gold reserve backing the note issue was maintained at a safe average. The following table shows the gold reserve and note issue in June of the years 1914-20, with percentages:

	Note-issue.	Gold Reserve.	Percentage of Reserve to Notes.
1914	£9,573,738	£4,106,767	42.90
1915	32,128,302	11,034,703	34.35
1916	44,609,546	16,112,943	36.12
1917	47,201,564	15,244,592	32.30
1918	52,535,959	17,659,754	33.61
1919	55,567,423	24,273,622	43.68
1920	56,949,030	23,658,092	41.54

"The embargo on the export of gold was the really vital factor in the situation."³⁹ Australia being a gold-producing country, it was possible to hold freshly-produced gold in sufficient amount to make the issue of paper-money secure. The banks, also, in order to obtain from the Commonwealth Treasury the notes required for banking business, had to present gold in exchange. As the Commonwealth Treasurer in 1924, Dr. Earle Page,⁴⁰ explained in introducing in the House of Representatives the amending Commonwealth Bank Bill, "immediately upon the outbreak of war, the banks brought large sums of gold to the Treasury to be exchanged for equivalent sums in notes. Their action was quite voluntary, and the result of a natural desire to stock their numerous branches with the more convenient paper money. Thus began a strengthening of the gold reserves of the Treasury."⁴¹

³⁹ D. B. Copland on "Currency Inflation and Price Movements in Australia," *Economic Journal*, 1920, p. 492.

⁴⁰ Capt. Rt. Hon. Sir Earle Page, G.C.M.G., M.H.R. since 1919; Treasurer, 1923/29; Acting Prime Minister, 1923/24, 1926/27, 1935, 1937; Minister for Commerce since 1934, for Health since 1937. Medical practitioner; of Grafton, N.S.W.; b. Grafton, 8 Aug., 1880. (Served in A.I.F., 1916/17.)

⁴¹ Pamphlet reprint of Dr. Page's speech of 13 June, 1924, p. 4.

The rapid increase of the note issue from £9,600,000 to £57,000,000 was one of the causes of the rise in the price level in Australia during the war years, the rise being from 100 in 1913 to 247 in 1920.⁴²

Commonwealth notes had printed upon them the undertaking that the Treasurer would "pay the bearer" the specified amount in gold "on demand at the Commonwealth Treasury at the seat of Government," but in fact the obtaining of gold for notes was not so easy as the words seemed to imply. Nowhere else than at the Treasury in Melbourne could the demand be met, and if a person applied there the gold was not handed to him over the counter. He had to sustain an interview with one of the chief officials, who subjected him to an examination as to why he wanted gold, and what he wished to do with it. He was reminded that he was not allowed to take or send it out of the country, and that if he paid it into his bank he would, on wishing to withdraw any part of the amount, be paid back in notes. Besides, it was a patriotic duty to sustain the currency of Australia by accepting notes instead of gold; the notes were good for all purposes of trade, and the Treasury would not give him gold unless satisfied that there was a particular reason why it should.

Travellers were permitted to obtain small sums in gold, sufficient for the expenses of a voyage, and those who were fortunate enough to be able to procure, from any source, fairly large amounts were able to make substantial profits in foreign ports. Thus, in 1917, travellers who were so fortunate as to arrive at Colombo with sovereigns could there exchange each of them for British or Australian notes of the value of 30s. or more.⁴³ But, except for a few instances of this kind, the Australian sovereign—till then the ordinary currency of the country—went out of employment during the war years, and a new generation arose which had never seen one of these golden coins, with the mintmark of Melbourne, Sydney, or Perth—a tiny "M," or "S," or "P," as the case

⁴² "Trade from 1914 to 1917 decreased, but currency increased, and this suggests, other things being equal, that the expansion of the currency was an important cause of rising prices." Copland, *op. cit.*, p. 507.

⁴³ *Economic Record*, Feb. 1928. p. 96.

might be—on the bar beneath the effigy of St. George fighting the dragon, unless it were exhibited as a curiosity, like the stater of Philip of Macedon or the napoléon of the French Emperor.

V

Australia was at one time the most prolific source of the world's gold-supply. The discovery of the rich Transvaal mines in the last quarter of the 19th century placed her in a secondary position, but she was still a very large gold-producing country when the Great War broke out. In 1914 Australian mines produced gold to the value of £8,719,191. But by 1918 the production had fallen to £5,078,000, and was still rapidly diminishing. The embargo on the export of gold was one important cause of the decline, but not the only one. The increase in the prices of commodities necessarily involved a rise in the wages of men engaged in the mining industry, while there was an enormous rise in the prices of mining material. The average of all the stores used in mining, excluding explosives, showed a percentage increase of 222 per cent., while explosives increased by 24 per cent., comparing 1914 with 1918.⁴⁴

The embargo on the export of gold from Australia was imposed by a proclamation of the Governor-General on 14th July, 1915, whereby the exportation of gold specie or bullion was prohibited "except with the consent in writing of the Treasurer of the Commonwealth." Between that date and October 28th, £5,943,635 was shipped by permission, but Mr. Higgs, who had meanwhile become Treasurer, then informed the banks that he would not permit any more gold to be transferred to the United States until the whole question had been reviewed. A deputation of bankers which waited on the Treasurer contended that the embargo interfered with trade to such an extent that the rate of exchange had become unduly high. Mr. Higgs, however, maintained that, inasmuch as the export of gold was a profitable transaction, any profit which might accrue should be placed to the credit of the Commonwealth and be used to meet current war obligations. He

⁴⁴ See schedules relating to costs and wages, in *The Case for Gold Mining, 1919*, pp. 71-2.

agreed that any bank which lodged full-weight sovereigns with the Commonwealth Bank or Treasury might receive payment in London at the rate of £98 for every 100 sovereigns lodged, the balance of £2 per £100 to be kept in hand, and, after expenses were paid, to be adjusted at the discretion of the Treasurer. If the gold was sold at a premium, the profit was to be paid into the consolidated revenue. Only three banks out of the 22 carrying on business in Australia decided to lodge gold in the manner prescribed, their operations amounting to £800,000. After a six weeks' trial of this arrangement, Mr. Higgs decided to suspend it indefinitely, and ordered that no further exports of gold to foreign countries should take place during the war.⁴⁵ He informed the banks to this effect by a letter of 25th March, 1916, wherein he stated that "the understanding under which the Treasurer is willing to arrange for a limited export of gold from the Commonwealth is suspended until further notice."⁴⁶

The argument of the bankers against the contention of the Treasurer that any profit from the export of gold should accrue to the Commonwealth Government was that there was no more justification for the Government claiming a property interest in gold belonging to the banks, than for claiming such an interest in the profit from wool, wheat, or any other commodity. But the Treasurer held that gold was in a different position, inasmuch as profit from its exportation arose from the dislocation of monetary values due to the war. The real desire, however, was to prevent the exportation of gold, because its retention in Australia was desirable for maintaining as far as possible the security of the note issue.⁴⁷

The concern of the gold mining industry in the embargo was based upon the injury done to all persons interested in gold mining by depriving the producers of markets wherein they could obtain full value for their commodity. In Australia they did not obtain full value, because, the production of the mines being saleable only within Australia, and being

⁴⁵ *Commonwealth Parliamentary Debates*, LXXIX, p. 7701

⁴⁶ *The Argus*, 29 Mar., 1916.

⁴⁷ Mr. Higgs printed in pamphlet form a full shorthand report of his interview with the bankers, and 4,000 copies of it were distributed among bankers, directors of public companies, members of parliament, newspaper editors, and other interested persons, with the object, as he stated, of assisting in forming public opinion on the question.

paid for in a depreciated currency, they were deprived of the difference between the Australian price and the real value of gold in world markets. Thus, while the mint price per ounce of fine gold in Australia in 1917 was £4 4s. 11d., there was a strong demand for gold in China at from £5 10s. to £6 per ounce, and a responsible financial house in that country offered to buy 5,000 ounces monthly at from £5 2s. 3d. to £5 6s. 2d. per ounce. The direct loss to the gold mining industry during the period of the war was calculated at between £4,000,000 and £5,000,000, and the adverse conditions showed themselves in the decline of gold produced from 2,054,968 ounces in 1914 to 1,273,188 in 1918.

A measure of relief from these deterrents was not afforded till 1919, when Mr. Watt, then Treasurer and Acting Prime Minister, gave permission for the formation of the Gold Producers' Association Limited, which was allowed to ship gold abroad, chiefly to Asiatic countries, and sell it at open-market prices. Between June, 1919, and December, 1924, the association sold gold to the amount of £19,548,988 and paid £380,503 in premiums to the producers. By the end of 1924, however, "with the gradual approach of sterling to parity with gold," it became impossible to make further shipments at a profit. War conditions inflicted upon the gold mining industry blows from which it did not recover in the ensuing years of peace.⁴⁸

VI

In the financial machinery of Australia throughout the war the Commonwealth Bank played a part second only to that of the Treasury. It managed the loan business. It furnished facilities for the troops overseas and for the Government in New Guinea. And, in so far as the cash received from loans from the British Government was insufficient for payments overseas, it provided exchange⁴⁹—excepting as to the amount

⁴⁸ See *The Case for Gold Mining*, and, for the operations of the Gold Producers' Association, the article by its founder, E. C. Dyason, on "Gold Marketing," in the *Economic Record*, Feb. 1928, p. 95.

⁴⁹ The British Government had to be paid, and, even after the per capita arrangement with the War Office, large accounts for food, arms, clothing, sea transport, and other goods or services supplied to troops in Australia, in transport to Europe, in New Guinea, etc., had to be met directly by the Commonwealth. All war expenses in Australia were paid from the loans raised in Australia. For the Bank's work in New Guinea, see *Vol. X*, pp. 239-45, 290-4.

of £92,480,156 eventually covered by a funding arrangement with the British Government. The services rendered by the Bank, its efficiency, and the confidence reposed in it were the more remarkable seeing that when the war broke out it had been in existence only a few weeks more than two years. The Commonwealth Bank Act which brought the institution into being was passed in December, 1911, and at the beginning of June, 1912, the Fisher Government appointed Denison Miller, then assistant to the general manager of the Bank of New South Wales, to be Governor of the Bank. The Act of Parliament enabled £1,000,000 to be raised by the sale of debentures, if deemed desirable, but in fact the Commonwealth Bank was commenced without any capital.⁶⁰ From the beginning, of course, it transacted the business of the Government, and was open to receive deposits from the public, but it did not require capital to be raised in the ordinary way in which a bank obtains capital from its shareholders, nor was it in need of any other security for its depositors than the credit of the Commonwealth, which guaranteed its stability.

The establishment of the Bank was pressed upon the Labour party by that erratic genius, Mr. King O'Malley, but the legislation establishing it was brought in by Mr Fisher; and, an extremely cautious man in financial affairs, he was careful in the choice of its first governor. Denison Miller was a man of 52 years of age at the time of his appointment. He had had experience of banking in all grades in New South Wales, and, shortly before the new sphere of work was opened to him, had travelled round the world studying banking policy and methods. He was a man of clear mind, ripe capacity, and suave disposition. Had he remained in the service of the oldest bank in Australia, it is probable that he would in due course have stepped into the chief managerial position. It suited his enthusiastic temperament to take charge of the newest bank at its launching, and build it up from the simplest beginnings. None, indeed, could have been simpler. Miller began with one messenger and an officer borrowed from the Treasury. Hardly had the bank settled down to business than the war threw upon it duties and responsibilities of great magnitude and complexity.

⁶⁰ Faulkner, *The Commonwealth Bank of Australia*, p. 5.

Financing Australia's part in the war meant, for the Commonwealth Bank, not merely raising loans for the Government, but also attending to the financial requirements of the individual soldier. Wherever he might be and whatever might be his fate—in Egypt, in France, in Palestine, in Great Britain; fighting, or in hospital, or prisoner-of-war—the Bank through its agents was available to provide him with funds. Agencies were established by whose means the soldier could draw upon his credit account with the bank almost as easily as if he were at home. Australian officers who had the misfortune to become prisoners-of-war in Turkey or Germany were provided with cheque books enabling them to operate upon the Bank's London office, and members of the flying corps were encouraged to carry cheque books with their equipment in case they were compelled to descend in enemy territory. The establishment of these connections between the Bank and foreign financial institutions in time of war was extremely difficult. The organisation had to be implemented very rapidly, and in circumstances which did not permit of ordinary negotiation. But it was done; and the reticulation of money to the far-flung lines occupied by the A.I.F. and A.N. & M.E.F. and to the bases of the Australian Navy was a triumph of skill and perspicuity. The Bank made no profit from the work it did for the troops. It charged no commission on any financial transactions in their behalf. This was part of its war service. As far as possible, too, it arranged with British and foreign banks that Australian notes, cheques, and money orders presented by Australian soldiers should be cashed free of exchange, and, where this was not possible, that the lowest possible rates of conversion should be charged.

The pay of the Australian soldier being much higher than that of his British compeer, rank for rank, there was at first a little anxiety as to whether, when troops from both countries were taking part in the same military operations, irritation might not be caused by this difference. Indeed, the War Office (24th December, 1914), "without wishing to dictate," expressed the opinion that it was "undesirable that the amount of cash drawn by the troops of the A.I.F. should to any material extent exceed the amount drawn by corresponding ranks of the British troops." But there was never an attempt

to insist upon this precaution, nor, indeed, was there any need for restraint. The Australian soldier did not draw the full amount of his pay. Part of it was reserved. Very large numbers of the men never drew more than a shilling a day, and started accounts with the Commonwealth Bank for taking charge of the balance. As many as 40,000 savings bank accounts were opened in London alone; and in Australia £5,500,000 was lodged with the bank through the district paymasters. That the men of the A.I.F., however, liked to "do themselves well," is quite true. They had for the most part been accustomed to good food and plenty of it, with a flavouring of luxuries, simple but good, and they were not expected to deprive themselves of the things which kept them in good heart and temper. The fact that they had more money to spend than other troops was rapidly grasped by the shopkeepers of Cairo, and even of France, and when the familiar "digger's" hat entered a shop there was a tendency for prices suddenly to rise, whereupon "the higgling of the market" was apt to be achieved amid comments frank and free.

VII

The protection of the financial interests of the soldier was given as the reason for the issue of the first of two sets of regulations, known as the "Moratorium Regulations," issued in July, 1916, under the War Precautions Act. The argument used in support of the "Active Service Moratorium" was that many soldiers upon enlistment left behind them dependants and debts, and that the dependants were sometimes mercilessly treated on account of the debts. Mortgagees pressed for their interest or principal, landlords were inconsiderate in demanding their rents, firms which had sold goods on time-payment were insistent upon their claims. It was said to impede voluntary recruiting if it became known in a town that the wife and children of a soldier were "victimised" by an inconsiderate mortgagee, landlord, or storekeeper. Genuine cases of this kind were probably very few, but it can easily be imagined that, if they had been allowed to continue, they would have been a cause of intense and reasonable bitterness among men serving at the front. Moreover, persons

not friendly to recruiting made use of, and exaggerated, the alleged rapacity of creditors who, themselves indifferent to the sacrifices of the soldier, squeezed the last farthing out of his relatives; and the Government concluded that relief ought to be given.

The "Active Service Moratorium" regulations provided for the postponement, until six months after the termination of the war, of payment of the principal secured by a mortgage due by any member of the military and naval forces serving abroad, or his female dependants; also for the postponement of the payment of the purchase money under an agreement for the purchase of land; and gave protection against the seizure of furniture and personal effects, or ejectment from dwelling houses, farms, or shops. There was very little criticism of the moratorium as long as it applied only to the dependants of the fighting forces. Doubt was expressed whether the regulations were necessary, but there was general agreement that, if hard cases did occur, protection should be accorded. Still, it was pointed out, the country was prosperous, good prices were realised for produce, there was no shortage of money, very little unemployment, and people who had opportunities of judging seriously questioned whether there were serious instances of creditors pressing the dependants of soldiers where there was honest inability to meet obligations. Certainly the banks and other financial institutions were, in point of policy, considerate and conciliatory in all cases affecting the homes and interests of soldiers.⁶¹

But a fresh series of moratorium regulations of general application required a different justification. Under these regulations, the first of which came into force in November, 1916, a mortgagor was defined as "the person liable under the provisions of a mortgage," without regard to military service. Any such person was entitled to apply to a court, which could prevent a mortgagee from calling up or demanding payment of any part of the principal due to him. Similarly it was provided that if, for the purposes of the war, restrictions were placed upon the marketing of any produce, and the producer was in consequence unable to pay his rent for land occupied

⁶¹ See "The War Precautions (Active Service Moratorium) Regulations," in their amended form, in *Manual of Emergency Legislation, second supplement*, p. 1296

by him, the payment might be postponed, interest at the rate of 5 per cent. per annum being payable to the lessor during the period of postponement.

The argument used in favour of these general moratorium regulations was that, in consequence of the rise in the rate of interest, persons who owed money were unable to secure renewals of mortgages or extensions of time for payment as easily as they could have done under normal conditions. The Government itself was an extensive borrower at the time, and did not desire that the interest rate should soar, lest the Commonwealth should have to pay more for loan money. A considerable calling-up of private loans would, it was considered, prejudice the borrowing capacity of the Government. The Treasury estimated, with admitted uncertainty, that mortgages to the amount of £100,000,000 were affected; and even this estimate was judged by some experienced men to be too low.

On the other hand, it was pointed out that many persons were embarrassed by the moratorium through being unable to obtain the money due to them, while mortgagors who took advantage of the regulations were in a position to pay, but withheld payment in order to invest the amount elsewhere. Further, the effect of the moratorium was to restrict credit; and solicitors with experience of mortgage business were well aware that, after the moratorium was proclaimed, nearly all mortgagees and drawers of contracts of sale were careful to make it a condition that their contracts should not be affected by the regulations. "Since September, 1916," Sir Robert Best⁵² informed the House of Representatives, "mortgages and contracts which have been entered into, almost without exception, have provided for the exemption of the moratorium regulations."⁵³

Hostilities ceased in November, 1918, but for legal purposes the war did not end until ratifications had been exchanged between the belligerent powers. There was no doubt that the moratorium regulations had the force of law as long as

⁵² Hon. Sir Robert Best, K.C.M.G. M.L.A., Victoria, 1889/1901; member of C'wealth Senate, 1901/10; M.H.R., 1910/23; Minister for Trade and Customs, 1909/10. Solicitor; of Glenferrie, Vic; b. Fitzroy, Vic, 18 June, 1856.

⁵³ *Parliamentary Debates, LXXV*, p. 11202, and see also the similar statement by Mr Brennan, p. 11205

the war continued, but a doubt arose as to whether it was competent for the Commonwealth Parliament to legislate to extend them for a period after peace was proclaimed. The Government considered that hardship would be caused if the regulations ceased to operate immediately, and favoured a sliding scale by which mortgages might be extended till dates fixed according to the times when the obligations matured. A bill was prepared on these lines. The question whether such legislation would be constitutional was submitted by Mr. L. E. Groom, who was Acting Attorney-General in 1919, to two committees of eminent lawyers, consisting of Sir Edward Mitchell,⁵⁴ Professor Harrison Moore,⁵⁵ Mr. Starke, and Mr. Campbell⁵⁶ (Melbourne), and Mr. Adrian Knox, Professor Peden,⁵⁷ and Mr. Hemsley⁵⁸ (Sydney). These authorities reported: "We have carefully considered this Bill, and are of opinion that it is within the competence of this Parliament." But the Sydney committee appended the reservations: "Subject to the proviso that the Bill becomes law before the termination of the war, so far as part II is concerned," part II being the portion of the bill dealing with general mortgages as distinguished from "active service" obligations.

The Moratorium Act, 1919, was carefully considered by both Houses of Parliament, the debates upon it being informed by intimate knowledge of economic conditions in all parts of Australia. The effect of the measure was that the general moratorium regulations ceased to operate after the 31st of July, 1920, no postponement of the date of repayment of monies being effective after that date.⁵⁹ The Active Service Moratorium regulations were to continue in force so long as there remained a mortgage to which they applied.

⁵⁴ Sir Edward Mitchell, K.C.M.G. Barrister-at-law; of Melbourne; b. Richmond Surrey, Eng., 21 July, 1855.

⁵⁵ Sir Harrison Moore, K.B.E., C.M.G. Professor of Law, and Dean of Faculty University of Melbourne, 1892/1927. Of London and Melbourne, b. London, 30 April, 1867. Died, 30 June, 1935.

⁵⁶ J. M. Campbell, Esq. Solicitor; of Melbourne; b. Melrose, Scotland, 12 April, 1847. Died, 15 Dec., 1930.

⁵⁷ Hon. Sir John Peden, K.C.M.G. M.L.C., N.S. Wales, since 1917; President of Legislative Council, since 1929, Challis Professor of Law, and Dean of Faculty, University of Sydney, since 1910. Of Sydney and Cobargo, N.S.W.; b. Randwick, N.S.W., 25 Apr., 1871.

⁵⁸ Hon. A. M. Hemsley, M.L.C., N.S. Wales, 1927/37. Solicitor, of Sydney; b. Ealing, London, 22 July, 1860. Died 12 July, 1937.

⁵⁹ In certain cases, where an order had been made by a court, the regulations were allowed to continue in force until the issue of a proclamation on 24 Jan., 1922.

CHAPTER XIV

AUSTRALIAN TRADE DURING THE WAR¹

THOSE concerned with the regulation of Australia's trade during the war received a new and ineffaceable impression of the smallness of the world. The tradition of their extreme remoteness still lingered among Australians and New Zealanders; but, like most Britons, they had accepted the theory that, in any European war, their supreme function would be to maintain a more or less undisturbed supply of food and other material for the Mother Country. The extension of the food producing areas in Canada, India, and Australasia had been regarded as a development not merely advantageous to those countries themselves, but vital for the Empire's defence; and one of the chief objects of the Empire's naval defence schemes was to ensure the safety of the long sea routes by which these vital cargoes must sail.

Most of those who had given thought to the subject expected that any outbreak of war between the British Empire and a first-class power would involve immediate dislocation of trade, and probably disturbance of finance, until the British Navy had sufficiently cleared the high seas—as it was assumed it would do—of hostile warships. And, as it turned out, the outbreak was the signal not only for the total cessation of German shipping to Australia—except for a few vessels which the news did not reach, all German ships at sea immediately fled to their own or neutral ports—but in addition, there was an instant stoppage of a great part of British shipping, whose owners waited for conditions to become clearer before risking their vessels.

Merchandise also was immediately affected. Even before the Empire was involved, the declaration of war by Austria

¹ It has been thought advisable first to explain, in this chapter, the common beginnings of the great problems of Australian trade during the war, leaving some of the more important solutions to be traced to their completion in subsequent chapters on wool, wheat, metals, shipping, price fixing, and industrial relationships.

The portions of this chapter which deal with British trade, so far as they are not based upon the actual telegrams which passed between the British and Australian Governments, are dependent chiefly upon the extraordinarily interesting and able survey of British *Scaborne Trade*, by C. Ernest Fayle, which forms part of the British Official History. The Australian statistics are based mainly upon those in the *Commonwealth Year Books*.

on Serbia had caused a decline in prices at the Sydney wool sales held on July 29th and 30th, orders from the continent of Europe being cancelled "wholesale."² The disappearance of Germany as one of the chief buyers of Australian wool; doubt as to the effect of the war upon the British and French demand; uncertainty as to the possibility of shipping to neutrals, and an almost immediate rise in shipping freights, greatly disturbed the wool industry. Pastoralists were informed by their city agents that there would be no sale for their wool, and were advised to hold it back at their homesteads. The new season's sales, due to open at Adelaide in September, were indefinitely postponed. Brokers meeting in Melbourne decided to wait for the result of the London series, early in October, before deciding on any programmes; meanwhile, storage and insurance would be charged on the wool in store. Not only pastoralists but great numbers of workers engaged in the wool industry were uncertain whether ruin or unemployment might not face them.

Even the great food producing industries, despite the belief that they must be maintained for the sake of the Empire's food-supply, were affected by uncertainty as to the probable course of war-trade. But, as it happened, these industries were faced with one of their normally recurrent diminutions owing to the commencement of a severe drought; and the surplus of meat and of wheat available for export, after the Australian people had been fed, was in any case likely to be small. On the other hand the mining industry, which largely depended on the export of coal to many parts of the Pacific, and of ore from the Broken Hill silver-lead mines to Germany, anticipated a disastrous stoppage. Merchants, who had had some slight experience of the cutting off of certain sea-borne supplies during the South African, Russo-Japanese, and American-Spanish wars, foresaw endless impediments to trade; indeed, cargoes of importance to Australian industries were immediately held up on German ships in the Dutch Indies and other foreign ports. There was uncertainty as to the arrangement of foreign credits. In some minor industries largely dependent on German buyers—the opal trade, for example—the stoppage was almost complete. In the pearling industry,

² V. O. Wilshire, "Review of the Australian Wool Market, July 1914-Dec 1916" (unpublished).

which dealt chiefly with clients in Central Europe, the effect was similar.³ All industries concerned with sea-carriage were faced with widespread stagnation and unemployment. On August 7th a Labour leader in New South Wales estimated that between 11,000 and 15,000 men were already out of work.

The chief immediate danger—that this uncertainty might lead to panic and wild speculation—was quickly averted by the patriotism and good sense of the business community, the example being set by the British Government. On August 4th the Secretary of State for the Colonies telegraphed that his Government had proclaimed a moratorium for a month on bills of exchange accepted before that date, and that the three following days would be bank holidays. This gave the business community time to take breath. On the 9th came from the British Government an appeal that laid the foundation of the “business as usual” policy on which the Empire’s trade was quickly to emerge. British manufacturers reported that there was evidence of curtailment and even cancellation of orders previously placed with them from all the dominions. The Secretary of State for the Colonies asked the Australian Government

to make a public appeal to merchants and traders in Australia not unduly or hurriedly to reduce their normal orders to British manufacturers so that employment in this country may not be too greatly curtailed If we can tide over the next few weeks things will probably improve.

The appeal was at once published throughout the Australian press.

II—*The Embargo System*

From the first the policy of the Australian governments, Federal and State, was to do all in their power to help the effort of the Mother Country, whose leadership in directing the common policy was unquestioned. Not only at this early stage but throughout the war except on rare occasions, as will be seen later, the practice was to look to the British Government to lay down whatever policy it considered desirable for restricting, encouraging, or diverting trade, and for the governments of the dominions to do all they could to conform and help. The constitution of the Empire proved an

³ Later trochus shell largely took the place of pearl shell, being manufactured into buttons by the Japanese.

extraordinarily flexible and effective machine, when operated with the good faith traditional in British dealings. No commands could be given, but in most matters the dominions eagerly sought the advice of British ministers: as to whether, for example, tallow or tanned hides should or should not be shipped to certain neutrals or allies; or whether it was safe to ship food to the Dutch East Indies, or horses to Siam. When the stock of some commodity in Great Britain was low, a query would go as to whether Australia could help by refusing licences to export to any other country. On the other hand, advice from the British Government almost invariably came in the form of a statement of some problem and an inquiry whether the dominion government could see its way to assist in the solution by taking certain suggested steps. Even during the second half of the war, when the Empire's trade was twisted into courses almost wholly unforeseen, and the solution of life and death problems necessarily involved a clashing of important interests, this urbane method sufficed. To the end, when the British Government appealed for action which was felt to be vital, the Australian Government—and doubtless that of each of the other dominions—responded to the limits of its power. The attitude of the British Government will be sufficiently evident to readers of the following pages.

Direct trade with enemy countries was cut off by a proclamation issued by the British Government on August 5th in London, telegraphed to Australia, and issued by the Commonwealth Government on August 7th. To stop goods reaching the enemy through neutrals, the British and other allied governments proclaimed lists of "absolute" and "conditional" contraband.⁴ The question of what food or materials would be most urgently required by a probable enemy had recently been studied, the Imperial Defence Committee having established a committee for the purpose; and the result was that, on the first day of the war, the British Government was able to issue a further proclamation prohibiting or restricting the export from the United Kingdom of a number of commodities of which it was desirable either to keep up

⁴At first these followed closely those contained in the Declaration of London. They were afterwards expanded and other conditions modified, and in July, 1916, that Declaration was abandoned.

the stock in Great Britain or to prevent the supply to Germany. This prompt action, by preventing uncertainty, really assisted trade.

But the greatest help was the British Government's ready made scheme of marine insurance. By this, four-fifths of the war risk in the policies issued by certain approved associations of marine insurers was undertaken by the Government—a procedure vital if shipping, the life-blood of the Empire, was to continue its free circulation during a war against a naval power. This arrangement was announced by the Chancellor of the Exchequer in the British Parliament on the night of August 4th, and the first question to which Australian shippers required an answer was whether it would apply to Australian cargoes. The Colonial Secretary on August 8th replied that it was primarily intended that the scheme should apply only to ships continuously registered in the United Kingdom, but that the British Government had decided that its benefits might be extended to colonial registered ships included in any of the approved associations. British ministers were, however, forced to refuse the Commonwealth Government's request, cabled on August 12th, that a branch of the British State Insurance Office be established in Australia; they explained that difficulties of administration prevented the formation of branches even in Glasgow and Liverpool.

Far more than any other administrative act, this wise measure of state-supported insurance set free the sea-borne trade of the British Empire. The war-time direction of that trade, so far as Australia was concerned, began when, on August 14th, the British Government asked the Australian to refuse, until further notice, to grant clearance to any ship carrying wool or meat to any neutral country in Europe unless satisfied that the true destination was not Germany or Austria-Hungary. On August 17th the British Government went a step further. Refrigerated beef from Australia and South America was regarded as a vital ration for the British Army, its quality being better than that of meat from North America. But the Army Council now feared that South American and Australian shippers would send their meat to the United States in consequence of the high prices ruling there.

Accordingly the Agent-General for New South Wales was asked to assist in preventing the diversion of food supplies, especially meat and butter, from Great Britain. The Premier of New South Wales passed the request to the Commonwealth Government. In Australia there was already considerable anxiety as to the local food-supply. State and Federal Governments had announced that they would not permit it to be cornered, and the Federal Government appointed a Royal Commission⁵ to investigate as to the amount of food-stuffs required internally, the surplus available for export, and any other matters concerning trade or industry during the war. Federal ministers now inquired of the Colonial Secretary whether it was desired that they should prevent Australian produce from being exported to neutrals in the ordinary course of trade. The Colonial Secretary, apparently unaware of the Army Council's request, replied that—subject to preventing trade with the enemy—the British policy was to restore commerce, as far as possible, to its normal footing; export should, therefore, not be restricted except as regards pack, saddle, and draught animals. This message, however, was chased by an urgent plea from the Army Council for the prohibition of all export of meat except to Great Britain and the rest of the Empire.

Fortunately the Commonwealth Government had ample authority, the Customs Act empowering the Governor-General to prohibit the shipping away of any goods "the exportation of which would in his opinion be harmful to the Commonwealth"—later he was empowered to stop "the exportation of any goods." The Defence Act also gave him wide power to take steps necessary for the country's protection. Accordingly, on September 7th and 8th, on the advice of the Royal Commission on food-supply, the appeals from the Mother Country were met by the initiation of the system of embargoes which was to prevail, with modifications, during the war. Proclamations were issued forbidding the export of meat to any destination outside the Empire—and of wheat and flour to any country except the British Isles—without

⁵ Consisting of Mr. Alfred Deakin (formerly Prime Minister) and Messrs. Dugald Thomson and G. H. Knibbs. See Chapter XIX.—"*Prices and Price Fixing*"—pp. 636-7. The appointment of the commission was recommended by the Premiers' Conference in August, 1914.

leave of the Minister for Trade and Customs. The British Government cabled back its "grateful thanks."

The proclamations had no sooner been issued than appeals came from various parts of the world whose food-supply was affected. The Viceroy of India sent an anxious inquiry. On September 10th Louis Botha,⁶ Prime Minister of South Africa, telegraphed that his country "depends largely on importation of flour and wheat from Commonwealth," and would guarantee the ships against war-risk. He solicited the good offices of the Commonwealth ministers in this matter, "which affects principally the poorer classes of our population." Next day the Governor of New Zealand cabled that "great alarm" was felt in that country, which depended on Australian wheat and flour until its own crops came in. He earnestly hoped that concessions would be made. These and other urgent exceptions were regularly arranged for under the minister's power to grant licences. At the same time notices were sent to the Governors of Ceylon, Hong Kong, and the Straits Settlements, and to the High Commissioner of the Western Pacific at Fiji that the normal shipments of food and other stuffs would for the present be sent to them; but they, and others, were requested to furnish the Australian Customs Department with certificates that these goods were actually landed there, and to prevent them from being re-exported except in good faith as stores for transports and other ships.

This system came to apply to all trade in restricted goods. Careful inquiry was made as to their destination, especially if it was noted that the imports of some particular commodity to a neutral country were assuming abnormal proportions. Constant inquiries as to whether projected shipments were safe or desirable were sent to the Secretary of State for the Colonies—or, if the goods were for a neutral country, to the British consul there, or later, in America or Japan, direct to the British embassies. Frequently the Colonial Secretary for his part, or one of the consuls, sent warnings as to particular consignees or the danger of certain courses. The great system of "black" lists and "white" lists grew up. In all known cases decided by the Australian Government, the decision was

⁶ General Rt. Hon. Louis Botha Prime Minister of South Africa, 1910/19; commanded Union Forces in South-West Africa, 1914/15. B Greytown, Natal 27 Sept., 1862. Died, 27 Aug., 1919

in accordance with what it believed to be the common interest of the Allies.

Measures deliberately taken to prevent Australian exporters from shipping their goods to those markets where the prices were highest naturally caused constant pressure from various sections of exporters upon the State and Federal Governments, to have particular embargoes or other restrictions relaxed. It was the common desire to avoid any action which would embarrass the British Government or the Allies or hamper their effort; but the question frequently arose whether an embargo was necessary; whether, for example, the shortage of wool, hides, or tallow in Great Britain had temporarily passed, and some export to America or Japan might not be allowed. On September 30th, hearing that Russia had abandoned her previous restrictions on the shipping of wheat, and that she and America had large amounts for export, the Australian Government asked whether Great Britain still desired all Australian wheat to be directed to British ports. The Secretary of State answered that Russia, although she had lifted the embargo, could not get her grain away either from the north (through ice) or from the south (through "mischief" at the Dardanelles). It was therefore impossible to judge how much Britain would want, and the British Government would be glad if the prohibition could be maintained except on shipments to the United Kingdom, British possessions, and the Allies. The export of meat to the United States Army in the Philippines was allowed, the American officials being willing to sign certificates as they could not secure the meat on any other condition. They were unwilling, however, to sign certificates for Australian products, such as coal, on which no embargo had yet been placed, and the British consul at Manila on the 12th of October, 1914, informed the Australian Government that coal was still being sold there to German ships to be exported. The embargo was ultimately extended to almost all large exports, forcing the authorities in the Philippines, in view of their need of them, to give pledges against re-export.

The transportation of exports was thus almost immediately resumed, and their total quantity was not greatly affected, decreases in some commodities being balanced by increases in

others. A certain number of men—especially miners—were thrown out of work; but their unemployment was automatically relieved by the recruiting for the A.I.F., in which miners formed one of the finest elements. The disturbance of the import trade also was immediately felt in certain trades and professions, but not by Australians generally. The import of drugs and fine chemicals from Germany having ceased, the limited stocks in Great Britain had to be instantly safeguarded by a prohibition on British exports. Australian hospitals were immediately faced by a prospective shortage of such vital drugs as ether and chloroform, and the Commonwealth ministers appealed to the Colonial Secretary. The British Government at once released certain drugs, and licensed the export of ether and chloroform in any quantity required, but could not for the time being release aspirin, antipyrin, chloral, veronal, urotropine, salvarsan, and a number of other preparations, or surgical dressings and bandages. A certain supply of British, American, or Japanese drugs became available as the war went on. To assist in the production of British dyes, the Australian Government at one time took a £4,000 share in "British Dyes Limited." But the restriction upon imports which came to be most acutely felt was that laid by the British Government on material for munitions, which eventually included almost all metals and machinery. As the supply from all accessible parts of the world barely sufficed for the Allies, Great Britain was forced to prohibit, except under severe scrutiny, the export not merely of steel and explosives, but of other products, vital to Australian industry, such as tin plate, wire netting, and galvanised iron. Where a certificate could be given that these supplies were necessary for urgent national purposes—for example, where tin plate was needed for canning meat for British or Allied troops—licences to export were, when possible, granted, priority being always given to such requirements. Indeed, in the later and most critical stages of the war, almost all trade was governed by a system of "priorities."

In spite of all these difficulties, two conditions—the tying up of the German fleet in its ports by the Grand Fleet, and the provision of war-risk insurance by the British Government—enabled the sea-trade of Australia, as of the rest of the

Empire, to be carried on with something of the certainty, and, in the early years of the war even the safety, of peacetime; and the first question that arises is—how far did that trade follow the expected course? Did the oversea dominions prove to be vital sources of food and raw material for the Mother Country?

III—*Meat*

From the first, for the reasons already given, Australia and New Zealand with South America were the principal sources of the British meat-supply. At no time during the war did the War Office willingly accept North American meat. On the other hand it frequently asked for Australian help and its requests were always fully met. The Queensland Government, whose Agent-General in London, Sir Thomas Robinson,⁷ was throughout the war the British Government's chief adviser in the matter, took the lead by passing an act⁸ by which the export of Queensland meat for any other purchaser than the British Government could be prohibited. In 1915 the Government of New South Wales adopted a similar measure. In the middle of that year, owing to the drought, meat supplies were, by consent of the British Government, sent from Queensland to other parts of Australia; with similar consent, meat was provided to India, South Africa, occasionally to Saigon, Burma, and elsewhere, and to the American forces in the Philippines and Honolulu. An entirely new trade came into existence with France and Italy, which now imported frozen meat for their soldiers.

But by far the greatest export of meat was to Great Britain and to the British forces abroad. At the outset the British Government was faced in the Argentine with a problem very different from any confronting it in Australia, where it counted upon, and received, help in every possible direction.

⁷ Lieut.-Col. Sir Thomas Robinson, G.B.E., K.C.M.G. Agent-General for Q'land, in London, 1910/19; Director of Meat Supplies for Allied Armies, 1914/18. Of Walton Downs, Q'land, and London; b. Rotherhithe, Eng., 24 Nov., 1853. Died May, 1939. (Having been a director of meat works at Rockhampton, and on the staff of the British India Steam Navigation Coy., he had experience of the industries mainly involved.)

⁸ The Queensland Meat Supply for Imperial Uses Act, 1914. See p. 654. (Chapter XIX.—"*Prices and Price Fixing*") Two days before the declaration of war Robinson heard that the Austrians were trying to buy several frozen-meat cargoes then afloat. At a midnight conference with the Secretary of State for the Colonies, he obtained authority to secure for the British Government an option over all such cargoes. The question of Queensland's assisting by legislation was also discussed.

In the Argentine, on the contrary, it was immediately faced by the chance that the American Meat Trust would corner the supplies. In addition, there occurred a breakdown in the financial arrangements there. In this crisis the Board of Trade, on the advice of Sir Thomas Robinson, took a step similar to that which it had already taken in the case of West Indian sugar,⁹ and purchased vast quantities of frozen meat in Argentine and Australasia. As far as Australian frozen meat was concerned, the whole exportable surplus was quickly acquired at "reasonable prices."¹⁰ On the 9th of February, 1915, the British Government appealed to the Federal and State Governments to help it to safeguard the meat-supply for the British and French Armies, and to prevent an excessive rise in price for the civil population. As a step to that end, it proposed to purchase the whole refrigerated beef and mutton supply available for export from Australia during the continuance of the war. The Governments co-operated with the utmost willingness. "If you definitely desire," Commonwealth ministers telegraphed, "all permits except for British Government consignments will be cancelled." The Queensland Government under its recent legislation cancelled all private contracts, bought the Queensland meat itself at fixed prices, and passed it on at somewhat higher prices to the British Government. Agreements with the other meat exporting States followed.

From these purchases the British Government guaranteed 20,000 tons of meat monthly for the French Army. The remainder, when sufficient, was devoted to British civilian as well as military consumption. Beef, of which most came from the Argentine, was for the army; but part of the mutton and all the lamb were used for the civilian population, being sold to it through the ordinary wholesale firms, but under conditions which helped to keep down the price.¹¹

⁹ A small amount of Fijian sugar also was bought by the British Government later in the war.

¹⁰ Fayle, *Seaborne Trade*, Vol. II., p. 82. The whole control of frozen meat supplies for the British—and eventually also for the French and Italian—Governments was centred in the Queensland Government office in the Strand, London. The office staff, expanded, and partly housed in an extra storey built on the flat roof, carried through under Sir Thomas Robinson the work which included the control of British Government meat works at the River Plate. Over £300,000,000 worth of supplies were dealt with by the office during the war period.

¹¹ Retailers were allowed to add only a half-penny a pound to the wholesale price.

But already in this trade there had appeared the first signs of a problem which, so far as the Empire's commerce was concerned, was quickly to overshadow every other. The number of steamers fitted with insulated space for carrying refrigerated produce was limited, and almost all such steamers were on the Australian or Argentine run. Not less than twenty-eight of them had been requisitioned by the Australian Government as transports. At the British Government's request, these were filled as far as possible with meat. As their trooping duties necessitated frequent diversion and detention, the Australian Government in January, 1915, agreed to requisition no more of them; indeed, the Australian governments themselves were growing anxious as to whether the insulated space would be sufficient for the carriage of the fruit, butter, frozen rabbits, and other produce which was possible only in those ships.

When buying the whole of the Australian meat, the British Government took the reasonable step of ensuring shipment, and safeguarding itself against an excessive rise in freights, by an arrangement as to shipping. Its right to requisition gave it a powerful lever, and in March, 1915, a friendly agreement was quickly arrived at with the British steamship lines trading to Australia, by which the Board of Trade chartered, not the ships, but the insulated space in them, for the rest of the war.¹² The running of the ships and allocation of refrigerated cargoes were controlled by a Shipowners' Committee in Great Britain, sub-committees being appointed in Australia and New Zealand to attend to the detailed allocation of cargo.¹³

In the Argentine the British Government was faced by a serious danger, most of the meat there being produced by American meat companies which, with France coming in as a consumer, could extort what terms they wished, "and there could be little doubt," says Fayle, "that full advantage would be taken of the opportunity."¹⁴ The Board of Trade met this danger by securing in April the insulated space in practically all steamers in the Plate trade. Controlling the sole means of shipping, the British Government was able to control to some extent the price of the export.

¹² The rate was 72s. 6d. per 40 cubic feet, that is, slightly above the previous rates.

¹³ The Australian committee, known as the "Imperial Government Frozen Meat Australian Shipping Committee," was presided over by Mr. Owen Cox (of Sydney).

¹⁴ *Seaborne Trade*, Vol. II, p. 84.

IV—Wool

Next to meat, the Australian product of which the need soonest became evident in Great Britain was wool. The London sales on October 6th having shown that, notwithstanding an embargo on export of wool from Great Britain, prices had sharply increased, and the keen British demand for military purposes having led to private buying in Australia, the Australian brokers arranged to recommence the local sales at Adelaide on October 15th, but to confine the offerings to quantities which the limited market seemed likely to absorb. On the same day the British Government, in view of the importance of the wool-supply for the British and Allied troops and civilians, asked whether, at least for the next six months, the export of wool to other destinations than the United Kingdom could be prohibited, it being understood that the British embargo on the export of woollen yarn or cloth suitable for military clothing should not prevent its supply to Australia. The message added that the demand in Great Britain was very great, and was expected to absorb at fair prices *all except merino wool*.¹⁵ Similar requests were sent to South Africa and New Zealand. The Commonwealth Government at once granted the embargo asked for, except on such shipments as were licensed by the Government, but pointed out that, as nearly seventy per cent. of the Australian clip was merino, it would be a very serious matter for Australia if that portion could not be absorbed. Australian ministers therefore "would be glad to hear from" the British Government before taking steps to prevent *all* shipments to Allied or neutral countries.

The sales at the Australian capitals, from October 15th to November 5th, gave good prices, especially for crossbred wool, but at this stage the offerings became too great for the restricted market¹⁶ and prices weakened. In anticipation of this difficulty, the Federal Government inquired whether the British Government would have any objection to merino (not crossbred) wool being sent unconditionally to the United States. The British Government, however, still stated that,

¹⁵ The wool then used for uniforms was of the coarser variety shorn from British sheep or oversea crossbreds (merino crossed with British sheep). Merino wool was suitable for finer cloths.

¹⁶ Geelong and Adelaide brokers had increased their offerings, and sales were also held in Sydney and Melbourne simultaneously. Prices fell from 10 to 15 per cent.

as it might have to use merino for military clothing if there was not enough crossbred, it would "much prefer" that Australian export should, if possible, be restricted to the United Kingdom. It might be possible to withdraw this prohibition at the end of the year.

The Australian Government at once agreed, and on November 24th proclaimed a stringent embargo. What then was its surprise to learn, within a month, from the High Commissioner that, at the London wool sales on December 8th, the auctioneers, in order to raise prices, had announced on the British Government's authority that the Government proposed to remove its own embargo on the export of merino wool to the United States, provided shippers gave satisfactory guarantees that it would not be re-exported? The Commonwealth Government at once represented that, if Great Britain was raising her embargo, it did not consider itself bound to maintain one. The British Government, which obviously had made a slip in not first informing the dominions, replied that its embargo was being relaxed on New Year's Day, 1915. It agreed to Australia's shipping merino wool direct to the United States, but hoped that satisfactory guarantees would be insisted on. On January 21st it added that it was now freely granting licences for the export of merino wool to Allied countries, but that all crossbred wool was still required by the Motherland, which, in the next month, undertook wool purchases for the French Government as well.

From that time until the end of 1916 the wool trade continued on this basis, licences for shipment of crossbred or merino wool to Allies and neutrals being given freely, or grudgingly, or entirely refused, according as the needs of Great Britain and the Allies rose or fell. With American, Italian, and Japanese competition temporarily permitted, prices again increased. Trade with America was much facilitated by an agreement made in February, 1915, by the British Government with the United States Textile Alliance, which included nine-tenths of the American manufacturers of wool. The Alliance undertook¹⁷ that all wool shipped to the name of its chairman would be used in its own mills; that no wool,

¹⁷ The Commonwealth Government helped the British Government to make the agreement by temporarily withholding all licences to ship wool to America.

wool-tops, or yarn should be exported; and that it would discourage the export of American-grown wool. Each shipment must be recommended by the agents of the Alliance—of whom one was appointed in Melbourne—who would have a list of the approved manufacturers. In March, 1915, at the earnest request of Japan, and after keen agitation by several firms in the trade, the Commonwealth Government allowed certain shipments of crossbred wool for uniforms for the Japanese and Russian Armies; and, in the following September, in order to raise the price at the Australian wool sales, it was announced, with consent of the British Government, that the export of crossbred wool to the Allies and the United States in normal quantities would be allowed for the present. By record sales in July, 1915, the last of the wool carried over from the previous season was disposed of.

In February, 1916, at the request of the Mother Country, export was again restricted, permits being refused unless the Colonial Secretary advised that the shipments were required for making uniforms for the Allies. Many efforts were made in Australia to get this embargo lifted, but without success, and as a result sales previously intended to be held at Brisbane and Sydney about the beginning of June were postponed. Woolgrowers felt the restrictions to be a hardship, and Mr. Hughes, who was then in England, represented this to the British Government. Lord Milner, with whom he dealt, was then Minister without portfolio, but was largely relied on by the Government for advice in matters of trade and supplies; and he suggested that the Australian Government should commandeer, at a price, the whole Australian clip for the benefit of the British Army. Mr. Hughes said he had no objection, provided that the measures taken applied also to British wool and that from other dominions. Lord Milner was not at the moment prepared to go so far; but before Mr. Hughes left England, it had been announced, on the 17th of June, 1916, that the whole British wool clip was to be purchased. Lord Milner, seeing that the purchase of Australian wool was not unlikely to be a profitable transaction,¹⁸ confidentially agreed with Mr. Hughes that, subject to a

¹⁸ See *Experiments in State Control*, by E. H. M. Lloyd (Carnegie Endowment series), p. 119. Mr. Hughes stipulated with him that, if the British Government claimed the right to resell, any profit should be shared by Australia.

suitable arrangement being reached, it should be recommended to the British Government. Meanwhile the embargo on the export of wool to the Allies was lifted, but America, which in the previous year had bought nearly a third of the whole Australian clip, was still shut out.

The woolgrowers' dissatisfaction was sharpened when it became known that in South Africa no embargo on the sale of wool to America was operating. Mr. Hughes cabled to the British Government pointing to this circumstance, and stating that the prohibition maintained by Australia was causing heavy loss and was embarrassing the Government. The Colonial Secretary replied (October 30th) that the South African Government had been strongly urged to confine its exports of wool to the United Kingdom, but for political reasons had found itself unable to agree.¹⁹ He hoped that Australia, if shipping to America, would limit its export to 200,000 bales, unless prices fell below those of the previous year. On November 6th Mr. Hughes agreed to this, pointing out, however, that the position was extremely unsatisfactory.

A week later the British Government took up the proposal for purchase, and in November, 1916, bought at a good price—55 per cent. above pre-war values—the whole Australian and New Zealand clips for the remainder of the war. The details of that transaction and its effects in Australia are described in a separate chapter. Through it the Allies were assured of their wool, and the chief Australian industry was maintained in full activity, and profitably, during the remainder of the war.

V—Wheat and Freight

Probably the product which, if the general expectation was justified, was likely to be Australia's chief contribution to the Empire's war needs was wheat. In pre-war days about three-quarters of Australia's surplus went to the United Kingdom, a twelfth to South Africa, and most of the rest to Eastern countries. Of flour, on the other hand, South

¹⁹ Japan, which, by the embargo and the subsequent British purchase, was prevented from securing wool supplies from Australia, turned to the South African supply, which was not similarly restricted. The Japanese made an effort themselves to produce tops, and even considered the possibility of growing wool locally, and their manufacture of woollen fabrics greatly increased during the war. *The Effect of the World War upon the Commerce and Industry of Japan* (Carnegie Endowment Series), pp. 25, 332.

Africa took the most, Great Britain coming next, the remainder going chiefly to the East. The reader will remember that early in the war the prospects of the coming Australian harvest were seen to be bad, and, at the request of the British Government and by advice of the Royal Commission on food-supply, an embargo was placed on the export—except by licence—of wheat and flour to countries outside the Empire.

Wheat from overseas was a prime necessity for the western Allied nations. During the five years before the war, 1909-13, Great Britain, France, Italy, and Belgium produced an average total of 575,000,000 bushels per annum, and their imports of wheat and flour during the same period averaged 364,000,000 bushels²⁰ per annum, making their total consumption 939,000,000 bushels. But during 1917 the production in these four countries amounted to no more than 344,000,000 bushels—about 60 per cent. of the normal average. They therefore required to import about 600,000,000 bushels to maintain their requirements of these foodstuffs. Russia was the largest European exporter of wheat in pre-war years, supplying about 160,000,000 bushels, while Roumania supplied about 50,000,000. The Russian source of supply was diminished by the war to the extent that her wheat harvests were barely sufficient to supply her own people, while Roumanian and Bulgarian supplies went finally to the Germanic Powers, which dominated both countries.²¹ All the principal Allies except Russia were consequently thrown upon the resources of the non-European wheat-producing countries.

These were the United States, India, Canada, Australia and Argentina. By the outbreak of war, nearly the whole of the Australian 1913-14 surplus had been shipped. Owing to the failure of the next year's crops, the Australian export of wheat and flour in 1914-15 fell to a tenth of the previous year's export, and it became necessary to import more than the whole season's export. Appeals, however, were made to farmers to increase the area under crop for the following year, and with such success that, the season being good, it soon became evident that the crop for 1915-16 would pass all previous records. There was no question that, if this wheat could be readily transported to them, Great Britain and the

²⁰ In this calculation the flour is reckoned by its wheat equivalent.

²¹ F. M. Surface, *The Grain Trade During the World War*, p. 18.

Allies would take every bushel of the export at good prices—satisfactory to buyers and producers. But, by the middle of 1915, it was also clear to the Commonwealth Government that, unless early measures were taken, the ships arriving in Australia would be far too few to carry the wheat cargoes, which should begin to be shipped before the end of the year. The States represented their fears to the Federal Government, and the active brain of Mr. Hughes, then Attorney-General in the Fisher Government, threw him into leadership in the matter; to his suggestions Mr. Fisher simply said, "Go ahead!" In August, at a conference between him and the Ministers for Agriculture from the wheat-exporting States,²² it was agreed that two million tons of shipping would be required to lift the grain for export; the Commonwealth and State Governments were to undertake the whole responsibility for obtaining it. To avoid competing against one another for ships, they entrusted two firms of wide repute in the Australian trade—Messrs. Elder, Smith & Company, and Messrs. Antony Gibbs & Sons—with the joint task of chartering the necessary vessels. There was thus initiated the first of the Federal Government's big war-time "pools"—the freight pool. Incidentally the conference endorsed an alternative, already suggested by Mr. Hughes, that the British Government should purchase the crop.

But the British Government itself was being deeply troubled by the growing shortage of ships. This had been barely affected by the operations of German warships—even the *Emden* had caused only a passing dislocation—but was the direct result of the wholesale diversion of British merchant ships for war uses, and the tying up of enemy steamers. The transport of the British Army to France and Belgium, and its maintenance there, were employing ever more ships, and the Gallipoli expedition had since April, 1915, required an additional fleet of them. With the scarcity of shipping, freights had risen immensely; with British ships this rise could, if desired, be controlled by the Government's requisitioning them; but with neutral ones, on which the Allies also depended, it could not.

²² For further details of this conference, see *Chap. XVII.*—"The Wheat Pool"

In view of this shortage it soon became evident that the Australian Government would have the greatest difficulty in securing more than a portion of the shipping desired. The High Commissioner was asked to appeal to the patriotism of British millers, shipowners, and others for co-operation. The Admiralty was begged to requisition fifty steamers for the Commonwealth. The British Government could not see its way either to buy the wheat or to requisition the steamers. As a matter of fact, in that month the shortage of shipping was greatly intensified by the launching of the Salonica expedition, for which the Admiralty, at its wits' end to provide transport, had to requisition all the nearest vessels including a number of the Australian transports. This blow deprived Mr. Hughes of fourteen of the very ships upon which he was depending. His cables took on a desperate tone

Australia can only meet the financial strain imposed by this war by speedy and profitable sale of its products. This cannot be done without freight and at reasonable rates.

The Secretary for the Colonies, after a prolonged interview with the Admiralty, secured the release of the fourteen ships, but could do no more. In November even the British ship-owners most anxious to assist were asking freights at 110s. a ton for a "block" of thirty-five steamers available for engagement for the greater part of 1916. "This is outrageous," noted Mr. Hughes. By December the situation was worse. Even with all the Australian transports available—and the Admiralty could not guarantee that it would not requisition them²³—the ships engaged by the London agents would barely suffice to lift by June, 1916, half the wheat waiting for them. On December 22nd, the shipping in sight being still more than a million tons short, Mr. Hughes again urged the British Government to requisition a "block" of from forty to fifty additional steamers.

Prepared to pay anything within reason but not to exceed 120 shillings.

And a week later.

Freight position growing daily more critical. Impossible obtain freight unless British Government intervenes on lines laid down.

²³ These were nearly all British ships requisitioned by the Australian Government (see Chap. xviii). The Admiralty said that, if the Commonwealth Government would furnish it from time to time with the names of ships particularly required, it would endeavour to avoid requisitioning them.

The Colonial Secretary's reply, received in the New Year, 1916, was:

I am taking matter up personally with heads of departments concerned, doing everything possible . . . but absolute dearth of tonnage at present requires that it should be directed to nearest sources of food supply and makes it more difficult to find tonnage for the long voyage to Australia.

This message appears to have contained the first reference, in British dealings with Australia, to a policy which in the end conditioned the whole sea-borne trade of the Empire, nullifying all the general pre-war expectations, and overriding by necessity almost all considerations of ordinary commerce and finance. As shipping in 1915 became short, it began to be increasingly realised that the vital factor in the sea-carriage of goods was, not how many ships were available, but how many voyages could be completed in a given time. Now that the excessive danger of submarines in the Mediterranean had closed that route, and the Admiralty had been forced to direct Australasian traffic to use the Cape route, the length of the Australian voyage had been increased. Ships sailing between Argentina and Great Britain could in normal times bring three cargoes each way in the time in which those trading with Australia and New Zealand could bring two; and ships on the North American run could work twice as fast as those trading to Argentina. As was pointed out in a pamphlet by Mr. Herbert Hoover, the food administrator of the United States: "Roughly, every 5,000 tons of food to the Allies requires 15,000 tons of shipping from Australia, 10,000 tons from the Argentine, and 5,000 tons from North America."²⁴

Quite apart, therefore, from any question of freights, a ship in the River Plate trade was half as useful again as one in the Australasian trade—and in the North American trade three times as useful—provided she could bring goods of the class required, and this was more keenly realised as the control of British shipping became more centralised. Chiefly through public outcry against profiteering in freights, the British Government was, in January, 1916, forced to adopt two measures—first, to cut down unnecessary imports, and, second, to transfer the main control of merchant shipping from a number of separate departments and committees of the

²⁴ Hoover, *Food in War*, p. 5 (Mr Hoover was President of the United States from 1929 to 1933)

Admiralty and Board of Trade to a central "Shipping Control Committee," which would requisition, buy, and build ships and allot them to essential services. The prime duty of this committee was to secure adequate sea-transport for the Allies' military and civil effort, and—although the fact was not then or afterwards realised in the antipodes—a *main plank in its policy was necessarily to transfer every obtainable ship from the long Australian-New Zealand route to the much shorter Argentine and North American journeys.*

Thus, while Mr. Hughes was continuously appealing to Britain for an increase of ships to clear Australian produce, the policy of the British Shipping Control Committee was directly contrary—to reduce Australian and New Zealand traffic to the lowest possible limit. That—in accordance with pre-war expectations—vast stocks of wheat, meat, tallow, and other products lay in the antipodean stores ready to be carried for the Allies' use, was now at times not an advantage, but merely a worry to those charged with the direction of the Empire's shipping. The only part of those commodities now required was that of which a sufficient supply could not at the moment be secured elsewhere—a category which included always wool and the more precious metals; usually meat, butter, and cheese; sometimes most classes of hides, tallow, and jams; but seldom wheat and fruit.

There now developed the struggle described later in these pages, between Mr. Hughes, attempting to secure control of additional ships, and the Shipping Controller, endeavouring to withdraw from him, without undue offence, those ships which he had. The situation was all the more tense since the Commonwealth Government, to assist the wheat farmers, had guaranteed advances of over 3s.²⁵ a bushel on wheat delivered at railway stations, and by the middle of May, 1916, had received only £6,000,000 in purchase price against £25,000,000 advanced. A well-informed writer at the time put the case clearly:

For Australia the question of exporting her fine wheat crop is a matter of first-rate financial importance. To ship the whole of the crop to Europe during the next few months would require several hundred voyages, and in the present circumstances it would be utterly impossible to find the ships. . . . The Australian Government

²⁵ The advances were 4s. 9d. on the 1915-16 crop, 3s. 3d. on those for 1916-17, and 1917-18, and 4s. 4d. on the 1918-19 crop.

has since the outbreak of war adopted a strong line on the shipping problem, and possibly it may not always have fully appreciated the innumerable difficulties which have confronted the Imperial Government in coping with their larger shipping problem.²⁶

It is equally doubtful whether the British Government, with its intense preoccupations, fully recognised the difficulties of Australia. But there was at hand a messenger not slow to emphasise them. In the middle of 1916—by which time Australian freights in the open market had actually risen to 200s.—Mr. Hughes was in England on the first of his two wartime visits. He suggested that, if the British Government could not see its way to requisition the necessary ships, it should purchase the surplus of Australia's wheat (up to 37 million bushels) and wool, in the same manner as it had already purchased her frozen meat. The Shipping Control Committee and the Transport Department of the Admiralty—the two authorities which on the same grounds had rejected the request to requisition ships—strongly objected also to any purchase, a course which appeared to them merely as a waste of tonnage. This suggestion also was accordingly rejected.

The immediate reaction of Mr. Hughes, resulting in the purchase by him of a number of steamers, is described in its place.²⁷ But the Australian Prime Minister had barely returned to his own country when, in August, 1916, the British Government was informed by its advisers that the North American wheat crop for the coming season would be below normal, and that, even if the Australian exports were normal, there would be a world shortage of 12,000,000 quarters. In these circumstances the British Government was forced to turn its eyes to Australia. Writing of the Wheat Commission, which was appointed in this crisis, Sir William Beveridge²⁸ (Permanent Secretary to the Ministry of Food), says:²⁹

At the outset of their work the Commissioners held the view that the Australian market, though the most distant in the world, was the surest in respect of available supplies as well as the most reasonable in price.

²⁶ C. Maughan, in *The Quarterly Review*, April, 1916, pp. 474-5.

²⁷ P. 614 *et seq.* (Chap. XVIII.—"Shipping.")

²⁸ Sir William Beveridge, K.C.B. Asst. Gen. Secretary, Ministry of Munitions, 1915/16, Second Secretary, Ministry of Food, 1916/18, Permanent Secretary, 1919, Director of London School of Economics and Political Science, since 1910, Chairman, Unemployment Insurance Statutory Committee, 1934. Barrister-at-law of London; b. Rangpur, India, 5 March, 1879.

²⁹ *British Food Control*, p. 92.

As importers might hesitate to buy where deliveries were so slow and unsure, the British Government now made big purchases in Australia and Argentina,³⁰ and then directed thither a stream of tramp tonnage. The negotiations for this purpose with Mr. Hughes opened on September 26th and began with the immediate purchase of half-a-million tons. Here, however, the Shipping Control and the Admiralty stepped in. Seeing that the much larger purchase which still had to be arranged would bring immense relief in the Australian shipping situation—since it mattered little to Australia whether the wheat was carried or not, provided it was sold and paid for—these authorities insisted that the purchase should be made a lever for preventing the Australian Government from chartering ships. The Colonial Secretary therefore, when suggesting on September 29th a much larger purchase “if this will help you,” added that the offer was subject to all grain-carrying vessels, British or neutral, being controlled from one centre. All tonnage now under Australian control would have to be placed at the disposal of the central authority, which would provide ships not only for the present transaction but for Australia’s existing commitments. “May I tell my colleagues that your Government agree and will co-operate in this policy?” This meant that Australia, if accepting the offer, must henceforth abandon the *c.i.f.* market and deal only in wheat *f.o.b.*

The negotiations which followed were so pregnant with developments vital to Australian trade during the rest of the war, and the transaction was subject to so much subsequent criticism, that it may be worth showing, by a summary of the cable messages, how strenuously Mr. Hughes³¹ contended for Australian interests

Mr. Hughes (Oct. 19): No doubt it would help the Commonwealth if the British Government bought, say, the whole crop. But there remained other products of more value than wheat. What tonnage would be allotted? Would the present tonnage be increased or decreased? Would the Commonwealth’s ships be affected?

³⁰ This had been begun, before the appointment of the Wheat Commission, on the recommendation of the advisory committee of the Transport Department, a committee of shipowners. This committee advocated the sending of ships to Australia in order to keep down the price of American wheat, and, as importers might be afraid to purchase, fearing a drop in prices during the long journey, they advised the British Government to do so. See Fayle, *Seaborne Trade*, Vol. II, pp. 341-2.

³¹ Mr. Hughes’s messages were sent through the Governor-General.

Secretary of State (Oct. 25): The main object of the whole scheme was to prevent competitive bidding for Allied and neutral tonnage. If Australia agreed, the British Government would do its best to provide tonnage for troops and for all commodities offering, and would undertake to see that shipowners dealt fairly with the Commonwealth.

Mr. Hughes (Nov. 3): Had similar proposals been made to other dominions? Australia assumed that the wheat sold to Great Britain was for use, and not for sale elsewhere at the higher prices ruling. Was there prospect of Great Britain purchasing other products? What price would Britain pay for the whole crop?

Secretary of State (Nov. 8): Canada was the only other dominion exporting wheat, and its case was different, the wheat there being privately owned and close to the market. "Australian wheat is vitally necessary for Allied cause." The Commonwealth would be left in control of its line of steamers—it was assumed they were necessary for taking wheat to France. The price would be 32s. a quarter for any sound balance of the old wheat crop—Australia to be free to dispose of all it could elsewhere *f.o.b.*, but not to engage the ships. The proposed price and freight together amounted to the price of wheat in Great Britain. There was grave danger that all available tonnage would prove inadequate to lift the whole Australian surplus; the British Government could not guarantee sufficient shipping, but the best guarantee was the suggested arrangement.

Secretary of State (Nov. 10): "Rely confidently on Australia, strike or no strike, to hasten loading. Steamers, grain, and cause are all national, and any interruption would be a Hun success."

Mr. Hughes (Nov. 18): Could not agree to the terms offered.

Secretary of State (Nov. 21): "If you want big business you must not ask too much." Allied ministers had now arrived in London to settle the transport problem. If Australia agreed to the British Government's policy, about 100 ships must start for Australia in November, and every month until May.

Mr. Hughes (Nov. 23): Did not agree that 32s. a quarter was a fair price; feared trouble with the farmers, who would contrast their price with that of the squatters' wool. British shipowners were receiving much more than pre-war freights.

Secretary of State (Nov. 24): Offers 36s. for unsold balance of wheat not exceeding 3 million tons.

Mr. Hughes (Nov. 27): The Government cannot sell for less than the local price, 38s.

Secretary of State (Nov. 27): Agrees.

By this contract the whole Australian export of wheat up to three million tons (additional to the original half-million) was sold, and the Australian Government undertook to employ no ships except those then forming its Government line, and steamers registered in its own ports. It should be emphasised that this agreement was not a concession made by the British Government towards the solution of Australian difficulties, but a measure taken by the authority responsible

for safeguarding the British bread-supply. On the shipping conditions the British Government was adamant, though doubtless in its readiness to make the purchase and pay the price it was influenced by its knowledge of the difficulties in which its shipping policy had placed the Commonwealth.

But the ink on the agreement was barely dry before the circumstances entirely changed. First, the British Government found that the North American crop had been underestimated; and, second, the enemy's submarines, immediately before his declaration of "unrestricted" warfare as from the 1st of February, 1917, made greatly increased inroads on shipping.³² The result of these two developments was that in January, despite the fact that only the first half-million tons of Australian wheat had yet been lifted, the British Government was forced, by sheer shortage of vessels, to turn its shipping again to America, leaving its three million tons of Australian wheat at the railway sidings, where mice and weevils afterwards began their phenomenal depredations.

British shipping was now under even firmer control than before, one of the first acts of Mr. Lloyd George on assuming the Prime Ministership at the end of 1916 having been to establish a Shipping Controller and Department of Shipping. When, after February 1st, the submarine campaign flared up to its most dangerous extent, the Government was forced³³ to extend its requisition over practically the whole British mercantile marine, in addition to compelling neutrals, by every devisable form of pressure, to cease withdrawing their ships from dangerous waters. At this stage Great Britain was fighting for her existence, on which the issue of the war and the fate of her dominions and allies directly depended; and the story of how she survived it—by cutting down her own imports and, so far as possible, all unnecessary sea-trade, and by inducing her dominions and allies to do the same, by an immensely increased programme of shipbuilding, by reversion to the system of convoying merchant ships, by greater efficiency in destroying submarines, and, perhaps most effectively, by decreasing the time occupied in loading and

³² By 31 Dec., 1916, British merchant tonnage was 750,000 tons less than at the outbreak of war.

³³ Partly with a view to reduction of freights, but mainly for economy in the use of shipping

unloading at congested British and foreign ports—is possibly the most impressive chapter in the British history of the war.

With all this colossal effort, the margin by which Great Britain won through was dangerously narrow. The extent of her effort was, and still is, but vaguely recognised in Australia, although from the middle of 1915 it conditioned the whole Australian export trade. At the end of 1916, however, with the British Government buying the bulk of the Australian wool, wheat, meat, metals, and dairy products, Australia was relieved of her chief commercial anxiety—how to get her produce to the market. The wool and wheat, even if they never left Australia, had been sold. Thenceforward the British Government carried those products or left them according to its convenience.³⁴

Australia, however, had still a certain stock of wheat and flour over and above the British purchase; and, as the diminution of flour shipments held up the Australian flour mills, and so caused unemployment, the Australian Government in June, 1917, suggested that Australian wheat and flour might usefully be shipped to the Pacific coast of America, thus freeing an equivalent amount of American wheat on the Atlantic coast for shipment to England. Later in the year, when fear of shortage arose in America, this arrangement was carried out.³⁵ There was difficulty in finding ships, but Mr. Hoover, the American food administrator, sought help from Japan, and sailing ships, unsuitable for employment in the war zone, were also used. Considerable amounts were brought over, the United States Grain Corporation importing some 7,760,000 bushels at twenty cents a bushel less than the Chicago price, and—to protect the American farmer—selling it to American mills at the American price.

These large transactions (says the historian of the corporation)³⁶ netted the grain corporation a relatively large profit, and were in part the cause of the very excellent financial showing made by the corporation during its existence.

³⁴ The situation would have been more difficult but for the fact that, as well as wool, lead, and copper, a number of refrigerated commodities also were urgently required by the British Government from Australia. The ships sent out to carry 30,000 tons of refrigerated cargo monthly contained also space for 75,000 tons of ordinary cargo. It was thus possible to ship not only wool, hides, tallow, and other cargo to which the British Government gave priority, but also some wheat and flour.

³⁵ Australia removed her import duty on American wheat, flour, and semolina, upon the understanding that the United States would do the same.

³⁶ Frank M. Surface, *The Grain Trade during the World War*, p. 291

Australia also sold wheat to the Mediterranean allies and to Japan.

Meanwhile, in March, 1917, ministers of the State of Victoria inquired of the British Government whether they should stimulate the production of wheat for next season. The Colonial Secretary (Mr. Long) replied that doubtless the production would be beneficial to the world, but they should bear in mind the fact that the British Government could not nearly ship all the wheat bought by it in 1916. In spite of this, British ministers in February, 1918, on Mr. Hughes suggesting that they should buy the 1917-18 crop, seriously considered the proposal. Their motive this time was, not to secure the wheat, but to gain control of the Australian Commonwealth Line and twenty large coastal ships. They actually offered—not as a commercial purchase of wheat, but as a general settlement of outstanding questions as to wheat and tonnage—to buy the 1917-18 surplus crop at the price for the lowest grade wheat. This was not agreed to, but Mr. Hughes's efforts to sell this crop continued during his second visit in 1918-19. The British demands as to shipping were no longer raised after the Armistice, and the long negotiations ended in July, 1919, with the sale of another one and a half million tons to the British Wheat Commission.⁸⁷

The chequered story of the wheat pool is completed in another chapter.

VI—*Redirection of Trade*

It will be recalled that the number of ships fitted for carrying refrigerated meat was limited. So many of that limited number were sunk in the unrestricted submarine campaign that it could only be inferred that they were the object of special attack. Their number was so reduced that the British Government, when it abandoned the shipment of Australian wheat, was also forced, notwithstanding the objections of the War Office, to look to North America for its chief meat-supply. The second source would be South America, and only the necessary balance would henceforth be brought from Australasia. Accordingly, a large number of the already scarce meat-ships on the Australasian run

⁸⁷ See the reference in Mr. Hughes's letters to the Governor-General quoted in *Chap. v.* The sale was at 5s 6d per bushel.

were in 1917 transferred to the North and South Atlantic. In 1918, when the urgent carriage of American troops to Europe began, still more Australian ships had to be taken; by June there were on the North Atlantic run no fewer than 32 insulated steamers from the Australian trade, while another 28 had been transferred to the Plate trade. As a result, 30,000 tons of meat and 14,000 tons of rabbits were waiting in Australia ports, and 140,000 tons of meat in New Zealand, beside great quantities of butter, cheese, and by-products of the meat trade in both countries. So seriously did this affect the floating of a New Zealand war loan that the Mother Country, recognising the effects of its shipping policy, had again to step in, take over the charges for storage and insurance, and eventually to advance 90 per cent. of the value of the New Zealand meat.

In this emergency, to avoid wasting ships on the long route around the Cape of Good Hope, the British Government developed a policy, already initiated by the War Office and the Indian Government, of relying more largely upon Australian products for military supplies in the Near and Middle East. Large quantities of wheat and meat for southern France and Italy had from an early date come *via* Suez from Australia. The British Refrigerated Shipping Committee arranged for a regular Australian-Egyptian service, carrying frozen and tinned meat, rabbits, and cheese to Egypt for the War Office, horses to India, and wool to Port Said for Italy. As far as possible, Australian cargo was henceforth directed along this channel. To save space, sheep carcasses were cut down the middle and one half packed inside the other.³⁸ The Admiralty further economised shipping by ordering that Australian troops for the Western Front should henceforth come by this route, finishing the journey by crossing from Egypt to Taranto and thence proceeding by rail to France.

Meanwhile, however, partly in consequence of the dissatisfaction of the War Office with the quality of North American meat, the British stocks of it fell low, and in the middle of 1918 four refrigerated steamers were brought back to the Plate run and four to the Australasian. The building of a new store in Port Said helped distribution in the East

³⁸ This change, carried through by Mr. Owen Cox, increased the storage capacity of both steamers and cold stores by as much as 33 per cent. in some cases, and enabled Australian and New Zealand meat-works, which must otherwise have closed down, to continue working.

Nevertheless, in the last half-year of the war, although losses of shipping now for the first time were outstripped by new building, the demands on shipping for carriage of munitions were greater than ever, and the accumulation of meat in Australia and New Zealand could not be avoided.

VII—Horses

The rest of the story of Australian wool, wheat, and metals during the war is told separately in this volume;³⁹ and the export of coal, which was largely controlled by the Navy Department, has been described in the volume relating to the navy.⁴⁰ The general course of other trades may here be touched on.

Australia was one of the principal sources of the horse-supply, not only for the A.I.F., but for the Indian Army. Horses for the A.I.F. were purchased by the remount branch of the Quartermaster-General's staff,⁴¹ whose travelling boards secured their supplies chiefly through the country stock agents and with the assistance of the chief firms engaged in the trade. In response to advertisements of the agents that horses were required for the army, breeders would bring their horses on specified dates to the local sale-yards, where, after inspection by veterinary and remount officers, suitable animals were bought. Assistance was also given to a commission of British officers sent by the Indian Government to buy horses in Australia, and, by precautions of both Australian and Indian authorities, any chance of the crude exploitation that was a standing joke among country folk for many years after the South African War was avoided. The help of the leading firms in the horse trade was a main factor in securing for the Army this "fair deal."

The thoroughbred element in Australian remounts rendered them invaluable for operations in which stamina and the spark of spirit were needed, and the preference of Australian soldiers for them was strongly marked. Until May,

³⁹ Pools operated not only in those trades, but in the dairying, rabbit exporting, jam, sugar, and other industries. It is considered, however, that Australia's experience of war-time pools is sufficiently illustrated by detailed accounts of the three industries mentioned above. The butter pool was organised at first in order to secure fair distribution in the several States, but later with a view to export.

⁴⁰ The internal control of the coal industry, which was undertaken chiefly with a view to avoiding the results of industrial trouble, is described with other industrial matters in *Chap. xx*.

⁴¹ Under Lieut.-Col. W. St. L. Robertson.

1915, they were shipped regularly to Egypt, their careful transport being marked by singularly few casualties. In that month, however, losses became severe. One ship, the *Palermo*, lost 120 horses between Colombo and Suez. The British authorities concluded that this disaster was due to attempting shipment through the Red Sea under monsoon conditions. The Admiralty at once diverted to India all horse-transport then on the way to Egypt, and ordered that no more should come until November. Early in 1916, owing to the desire of the Australian Light Horse, British headquarters in Egypt asked that another 8,800 should be sent. The first shiploads of these arrived in May, but the remount staff in Egypt raised strong objection to their quality. The objection could not be understood by the staff in Australia, and led to protracted argument. When the crisis arose over the shipping of Australian wheat, the Shipping Control Committee, after conference with the Admiralty and War Office, broke off shipment of horses on the ground that the transports would be better employed carrying wheat. Only 3,000 of the 8,800 horses had been shipped, and no more were brought to Egypt.

Throughout the war shipping difficulties placed Australia out of the question as a source of direct supply of horses for the Western Front. The Indian Government, however, bought there regularly. In all, 39,348 horses were shipped for the A.I.F., and 81,976 sent to India by the Indian Government's commission and other authorised shippers.⁴² The price in Australia of those bought by the Defence Department is said to have averaged just over £20, and the cost of horses landed in Egypt averaged £56.

At the request of the British and Indian Governments, an embargo was maintained on the export of horses suitable for military purposes. This was actually enforced against the King of Siam, who had bought 126 horses in Australia, before the war, but had not shipped them. Even when, on his request, the Indian Government withdrew its objection, Commonwealth ministers preferred not to make an exception, and withheld the necessary permit until pressed on political grounds by the British Government to do so.

⁴² It is said that of these 121,324 horses only one was brought back—the charger of General Bridges, which followed the gun-carriage at his funeral. Its head is now in the Australian War Memorial Museum.

VIII—*Butter, Fruit, Leather, Tallow*

The export of Australian butter to Great Britain—a trade well established before the war—suffered some hindrance through the shortage of shipping, but in 1917, when that shortage became acute, the British Food Controller, Lord Rhondda,⁴³ agreed to purchase Australia's whole exportable surplus of both butter and cheese. The pre-war trade in cheese had been small, but, being an important military ration, it was now shipped in quantities never before approached, and the same was true of condensed and other preserved milk. Late in the war, by a strange turn of affairs, the great importance of the Danish dairy industry acted in favour of Australasian farmers; for, in order to keep Danish produce from Germany (which exacted it with a veiled threat of war), the Allies enforced a strict blockade on Denmark, depriving her of manures; and Australia and New Zealand then became the chief source for imports of dairy produce to the United Kingdom.

The Australian fruit export trade received a severe setback when, in 1917, the British Government was forced to classify fresh fruit as an unessential import, and to reduce the Australian quota to half the previous season's total. But the loss was more than made good by huge increases in the export of jam and of dried and canned fruits. Australian jam, which is mainly tinned, had before the war no great sale in the Mother Country, largely owing to the British preference for bottled jam; but it was a first-rate military ration, and not only did the British and later the American Army consume vast quantities of it, but, through the soldiers' taste for it, the civilian prejudice against tinned jam was to some extent overcome. The export increased forty-fold, and its value sixty-fold, each far exceeding the corresponding figure for the pre-war export of fruit. The export of dried fruit increased to four-fold, and that of canned fruit to over twenty-fold—in both of these trades Australians from being importers became exporters. Exports of ham averaged in amount nearly twice that of 1913, and those of bacon more than twice; those of frozen rabbits, which became popular

⁴³ Viscount Rhondda. M.P., 1888/1910; President, Local Govt. Board, 1916/17; Food Controller, 1917/18. Mine owner and company director; of Llanwern, Newport, Mon.; b. Aberdare, Wales, 26 March 1856. Died, 3 July, 1918.

with British soldiers and civilians, slightly increased, and those of tinned meat were a little lower. The most serious threat to the tinned meat and fruit trades was the cessation of tin plate exports from Great Britain in the height of the munitions effort in 1917. Some time previously, at the request of the Ministry of Munitions, the Commonwealth had ceased ordering any from America, and canners now faced a prospect of complete stoppage of the trade. On this being represented to it, the British Government permitted limited shipments of tin plates, but eventually it was decided that British departments ordering Australian foodstuffs must themselves arrange for the supply of tin plates.

By the middle of 1918 the British Government's purchases of wool, wheat, and meat, and other foodstuffs in Australia had reached the value of £132,000,000. One of the most interesting war-trades was that in by-products of meat—hides, sheep skins, and tallow. The War Office was sceptical as to the adequacy of Australian or foreign tanned leather for either boot soles or saddlery, but they accepted Australian hides, and, at their request, the sending elsewhere of suitable hides was prohibited; indeed, at one time the supply barely sufficed for the military needs of Australia. As to leather, Sir George Reid himself assured the Secretary of State for War of the strong measures taken by the Australian Government to ensure its purity, and eventually the front-line reputation of the Australian soldiers' boot⁴⁴ had its effect. Australian leather became an urgent requirement of the Indian Government, and towards the end of the war, by arrangement between the British and Indian Governments, an order for 200,000 pairs of boots for Gurkha troops was placed in Australia, and the Egyptian Government also sought there its boots for the Sudanese police.

Tallow was of particular importance to Great Britain as a source of glycerine, which was one of the constituents of cordite, the propellant used by Great Britain and Japan, but not by America, France, or Russia. By 1916, as the oils on which Great Britain usually relied for glycerine were being employed for foodstuffs, the Australian Government was asked to refuse the export of tallow to Japan. Upon the Japanese

⁴⁴ See pp. 258-9

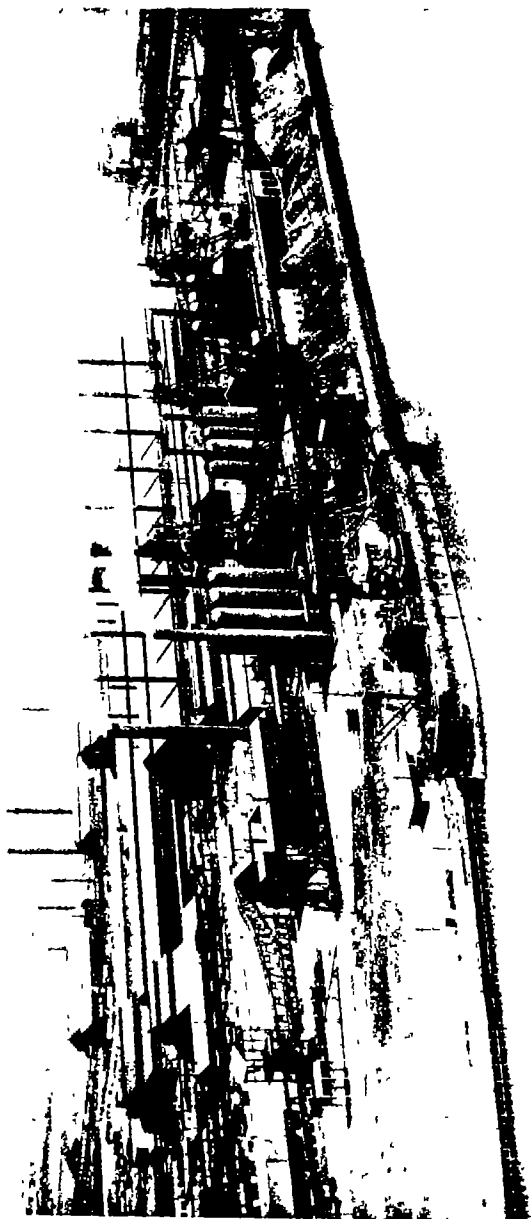
Government representing that the soap industry was thereby dislocated, the British Government agreed that a certain amount of tallow might be shipped to that country, provided the Japanese gave security that they would, within three months, export an amount of glycerine—equivalent to the glycerine-content⁴⁵ of the imported tallow—to India for use in the munition factories there. Later in the war, in order to save cargo-space, the British Government even considered erecting a plant in Australia to extract there the glycerine required for its own use.

IX—*Manufactures*

In Australia before the war few manufactured articles—even those in the commonest use—were entirely provided by Australian manufacturers. The local wool-spinning and weaving, clothing, food and drink making, and printing industries were the most important. But no cotton or silk was spun or woven, and no glass, cutlery, or many other common requisites manufactured in Australia; and for parts of their most general manufactures Australians had to rely on imports from all over the world. Even in the height of the shipping difficulty, Australian industries had to apply through the British ambassador at Washington to import such commodities as motors for cold stores, steel plates for shipbuilding, pipes for irrigation works, annealed wire for butter boxes, hoop-iron, soda-ash, mining drills, broom wire, elevator rope, and canvas for schooners. For the Defence Department's clothing factory, it was necessary to import from England braid, canvas, cotton, whalebone, linen, hooks, eyes, wadding, chalk, celluloid, gold cord, and other incidentals. During the war such military requirements received priority treatment, but even so the supply was often short. The Quartermaster-General's branch reported:

Practically all woollen yarn for socks, cardigan jackets, under-pants, and singlets had to be imported, inasmuch as there was only one firm in Australia equipped with machinery capable of producing suitable garments of local manufacture throughout. For many months Australian manufacturers of the abovementioned articles were only able to supply the Department spasmodically. To make matters worse, the supply of needles became exhausted, and many firms were held up on this account

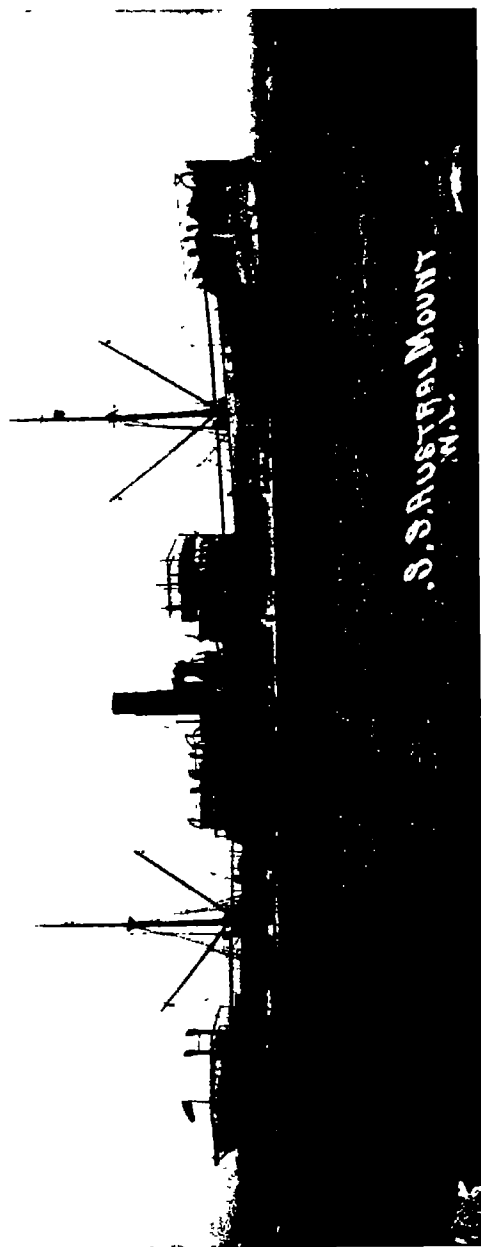
⁴⁵ Eight per cent.



42 THE BROKEN HILL PROPRIETARY COMPANY'S WORKS AT NEWCASTLE

Taken in 1934

To face p 546



43 ONE OF THE TRAMP STEAMERS BOUGHT BY MR HUGHES IN 1916

Lent by H R Stewart, Esq

To face p 547

For civil needs, the shortage was much more acute. Women, especially mothers, were often greatly worried in obtaining substitutes for dress adjuncts, such as the ordinary buttons, and the price of such poor and inefficient substitutes as were to be got was often excessive. Towards the end of the war, linoleums, carpets, velvets, curtains, and embroidered goods had become so dear as to be almost unprocurable. All steel goods were very high in price, and to stock a kitchen with ordinary hollow-ware cost from three to four times as much as before the war. Galvanised iron, essential over most of the Australian country for roofing purposes, was for a time unobtainable, barbed-wire was long off the market, and the rabbit-proof wire required by law for fencing boundaries in rabbit-infested country was out of reach. Roofing tiles from Marseilles were no longer imported.

Some of the imports previously brought from Europe were now obtained from the United States or from Japan, but they were neither abundant nor cheap; and some of them—for example, matches and glass from Japan, whose manufactures were expanding at excessive speed—were of inferior quality.⁴⁶ A scare arose through fatal cases of anthrax alleged to be due to the use of shaving and other brushes from Japan. When the Commonwealth Government prohibited the importation of “luxuries,” part even of the American and Japanese trade was shut out.

In these circumstances most Australian manufactures not merely of military but of civilian commodities received a keen stimulus. First in importance among these were the steel works. Prior to the war there had been made, chiefly at Lithgow, in the Blue Mountains of New South Wales, vigorous efforts to establish a manufacture of iron and steel by blast furnace with the local coal, iron ores, and limestone fluxes. The work of the pioneer in the steel industry, William Sandford,⁴⁷ had been taken up by the Hoskins brothers.⁴⁸

⁴⁶ British officials also complained that certain Japanese firms were labelling their goods as British—e.g., “British made with British labour”

⁴⁷ W. Sandford, Esq. Ironmaster; of Lithgow and Eastwood, N.S.W.; b. Torrington, Devon, Eng., Sept. 1841. Died 29 May, 1932.

⁴⁸ George J. Hoskins, Esq. Ironmaster, of Sydney and Lithgow, N.S.W. Died 26 May, 1926

Charles H. Hoskins, Esq. President, N.S.W. Chamber of Manufacturers, 1895/97. Engineer and ironmaster, of Sydney and Lithgow, N.S.W.; b. London, 26 March, 1851. Died 14 Feb. 1926.

In 1909-12 Federal acts were passed for encouraging the industry by means of a bonus on bar-iron, steel, galvanised sheet or plate, wire-netting, wire, and iron or steel pipes and tubes.⁴⁹ During the war great expansion occurred at Newcastle, where the Broken Hill Proprietary Company⁵⁰ began operations in 1915, having acquired large deposits of ore at Iron Knob in South Australia. The yearly output of pig-iron in Australia thus mounted from 47,000 tons in 1913 to 332,000 in 1919, the final product including rails, billets, fish-plates, structural steel, rods, plates, and other commodities. Through the development of this industry, the local need of iron and steel for the railways, for architecture and subsidiary manufactures, and even for shipbuilding, was partly met.

Besides the export of shell steel already referred to, Australia supplied rails and fish-plates for the British Ministry of Munitions and the South African railways. Requests also came from the Indian Government and Java. But the sending of even second-hand rails from Australia to Siam brought an immediate protest from Washington that the Commonwealth, while endeavouring to obtain steel from America, which exported it with difficulty, should be selling steel to the East.

In some trades the A.I.F. acted as an instrument of commerce. The shipments of Australian boots to India and Egypt, and of jam, condensed milk, and other commodities to the Near and Far East, were partly due to its obvious preference for Australian equipment and rations. From the agricultural branch of British headquarters in Mesopotamia came an order for twenty-five "Sunshine" harvesters, together with the men to work them; before they were shipped, however, it was found that the work was unsuitable for them, and the contract was cancelled on payment of £2,000 in compensation. Steady expansion occurred in Australian woollen mills, tanneries, foundries, butter and condensed milk factories, canneries, and boot and shoe works; and the number of hands in factories of confectionery and of spirituous

⁴⁹ Reckoned from 30 June, 1909, to 30 June, 1915, these bounties amounted to £173,671. The Iron Bounty Act of 1914-15 reduced the bounty from 12s. to 8s per ton, and the total amount authorised to be paid up to the end of 1916 was not to exceed £60,000.

⁵⁰ The company till then had been wholly engaged in the production of silver-lead ores and concentrates, but shortly before the war it decided upon this extension of its enterprise. The advantages at Newcastle were abundance of coal, shipping facilities, and labour.

liquors, which came under the "luxury" embargo, was practically doubled. Many articles never before made in Australia were now of necessity fabricated there.

In 1919 it was noted⁵¹ that a list of local manufactures issued by the Federal Government included some 400 articles which before the war had never been made in Australia, at any rate in quantities. Among these were:

Cardboard containers with a watertight glaze (as a substitute for tin plates); fibro-cement; mica for lamp chimneys; typewriter ribbons, and carbon papers; white-based paper for photography; pulp for coarse paper and some fine varieties (Australian softwoods and rag being used); photographic and surgical collodion; dyes from yacca gum; ether anæsthetic; sheep and cattle dips; a large variety of sprays, for fruit; certain paints, sulphate of ammonia, and coal-tar products; balances; scale weights; machinery for wool-scouring, grinding and crushing, tar extraction and distillation; machine tools; furnace jackets; numerous machine parts; aeroplane engines; gas and kerosene engines; certain agricultural machines other than those previously manufactured; electrical batteries; tubing and fittings; controllers; dynamos; fusers; radiators; wireless outfits.

Where certain ingredients were unobtainable—in the manufacture of perfumery, for example—satisfactory substitutes were found.

The expansion of local manufacture would have been much greater but for the impossibility of importing any but the most urgently required machinery. All the manufacturers of machinery in Great Britain and America were more than fully occupied in executing priority orders for the munitions departments of the Allies; during a great part of the war machinery of any sort was practically unprocurable by Australia from abroad, but a certain amount was made locally.

X—Special Measures

Mention may here be made of certain general steps taken to secure economy or otherwise assist industry. "Daylight-saving" was introduced by act of parliament on the 1st of January, 1917,⁵² the clocks being advanced an hour until the 25th of March, but the experiment failed. The duration of twilight was too short; protest at once came from the country industries, and the act was repealed in the following September. Dealings with the United States were, during the last year of the war, facilitated by the appointment, in September 1918, of Mr. H. Y. Braddon as Commissioner

⁵¹ *Sydney Daily Telegraph*, 24 Oct., 1919

⁵² In Tasmania, where twilight is longer, it was introduced in October, 1916. The object was to save coal.

there. With a view to assisting Australian production and trade by the planned methods that were so largely resorted to during the war, the Federal Government inaugurated two institutions—the Institute of Science and Industry, and the Bureau of Commerce and Industry. The former was established as a result of a conference of ministers of agriculture and leaders in research, industry, and commerce, convened in January, 1916, by Mr. Fisher. A council and executive were formed, and in 1918 Dr. Francis Mephan Gellatly,⁵³ an economist, was appointed director. Despite much initial opposition, the institute launched in several States investigations, any one of which, if successful, would more than justify its establishment. Of the Bureau of Commerce and Industry, Mr. Leitch (the Director of Munitions) and, later, Mr. Stirling Taylor⁵⁴ were directors. Its functions were investigation of Australia's resources with a view to establishing or developing industries; the improvement of their organisation; finding of new markets, despatch of trade commissioners; formation of export associations, and so forth. This bureau was comparatively short-lived, but some of its developmental functions were subsequently undertaken by the Migration and Development Commission. The Institute of Science and Industry, however, remains firmly established in the Commonwealth Council for Scientific and Industrial Research, one of the most valuable institutions in Australia to-day.

XI—Some Results

Such was the general course of Australian trade during the war. Some of its more important internal features are dealt with in the following chapters,⁵⁵ but the supreme influence of the shipping problem upon all its branches has necessitated this comprehensive preface, which may also have assisted the reader to judge what help was furnished by Australia towards maintaining the necessary supplies for the Allies; what help she received from Great Britain; and how,

⁵³ Dr. F. M. Gellatly. Barrister-at-law; Financial Editor, *The Sydney Morning Herald*, 1905/16; Director, C'wealth Institute of Science and Industry, 1918/19 Of Neutral Bay, N.S.W.; b. Ballarat, Vic., 30 Nov. 1872. Died, 24 Sept. 1919 in the influenza epidemic.

⁵⁴ S. Taylor, Esq. Director, Bureau of Commerce and Industry, 1919/25. Director of Publicity and Organization for the Wheat Pools of W. Aust., N.S.W., Vic., and S. Aust., 1925/31. Business manager; of Perth, W. Aust.; b. Melbourne, 22 Oct., 1875.

⁵⁵ On wool, wheat, metals, price fixing, shipping, and industrial matters (coal)

in comparison with the Mother Country, she fared in her war-time commerce.

There is abundant evidence that throughout the war the price at which the British Government was able to secure Australian products—especially wheat, wool, and meat—enabled it to temper for the British people the hurricane blasts of war-time prices. In the meat trade, action to that end was deliberately taken by both Federal and State Governments, and the embargoes willingly imposed in every other important trade had the same effect. On the other hand, during the last three years of the war the shortage of shipping, and the British Government's need and control of it, would have prevented Australian produce from having almost any sale for export unless Great Britain sent ships to fetch it. That Australia received any price at all was due to the willingness of the British Government to buy, and naturally the prices given were below—in some cases far below—those obtained by certain other sellers.

Subsequently, in some quarters in Australia this fact was stressed as a grievance; but one may doubt whether many Australian producers regretted that they did not wring top prices from British and Allied consumers during their life and death struggle. Almost every one of the British Government's important purchases in Australia was made after urgent request by the Australian Government, and was made by a government—and on behalf of a people—which in the critical years of the common struggle had to throw overboard all notion of conserving their own commerce. Early in the war the British Government had some consideration for the maintenance of British oversea trade.⁵⁶ But, from the time when the shortage of shipping became acute, it had to direct trade to one object alone—to secure to the Allies sufficient imports for maintaining existence and winning the war. To this end it had to concentrate all possible tonnage upon the shortest routes; and in that effort it not merely allowed its distant trade to fall into the hands of rivals; it actually encouraged the distant dominions to rely on neutral shipping, and to free all British ships for the main effort. Great

⁵⁶ The outstanding example was probably the supply of tea, coffee, and cocoa to Holland during the first year of the war, in spite of the knowledge that much of it went to Germany. At that time, however, if Britain had not supplied it, neutrals would have done so, and it was desired to keep the trade. Fayle, *Vol II*, p. 113.

Britain's own exports decreased by about one-fifth in value,⁵⁷ and by far more than that in weight. With open eyes she threw into American and Japanese hands a great part of her export trade in the East and even in Australasia, and abandoned to those same powers, and to the always-friendly Norwegians, a great part of her carrying trade. Whereas in 1913 Great Britain provided nearly 60 per cent. of Australia's imports—and the United States less than 12, and Japan 1.15 per cent.—in 1918 over 25 per cent. fell to the United States, 8 per cent. to Japan, and only 36 per cent. to Great Britain. Moreover, the Mother Country encouraged the dominions to supply their own requirements. Undertaking gigantic commitments on the one hand, she had to cut off on the other a great part of the trade on which she must rely to pay for them.

How far, in comparison, was the trade of Australia maintained during the war? Even without taking into account the vast quantities of wheat still remaining at Australian sidings, but bought and paid for by the British Government, the total value of Australia's exports increased from £79,000,000 in 1913 to £114,000,000 in 1918. The employees in her factories rose from 337,000 to 376,000. Her coal trade suffered a probably irreparable setback,⁵⁸ but new industries were founded, and new trade connections in the Dutch East Indies, India, and Egypt opened up, some of these on British suggestion or initiative. Australia, in short, emerged from the war with a greater commerce than that with which she entered it. It was a matter of pride to most Australians that the moderate profits on Australian commodities helped to mitigate the appalling cost of the war to the British people; but no one who carefully studies those transactions is likely to conclude that the British people was the sole—or the principal—beneficiary from them. The whole record of those dealings by both sides—especially when, as during the second half of the war, some of their important interests ran directly contrary to each other—furnishes a wonderful story of intelligent and generous co-operation, in which even acute differences as to secondary interests were never allowed to obscure the paramount common objective.

⁵⁷ See Fayle, *Vol III*, pp 482-3

⁵⁸ The setback was due to the war, but the inability to recover afterwards—or rather the setback which followed a partial recovery—was due largely to other conditions. (See pp. 673-83.)

CHAPTER XV

METALS

SOME months after the commencement of the war, the attention of the Commonwealth Government, and especially of Mr. Hughes, was directed to the extent to which German firms had acquired a commanding influence over the base metals produced in Australia. Some of the metals, particularly lead, spelter, and copper—to a lesser extent wolfram, tungsten, scheelite, and molybdenite—were of supreme importance for war purposes, and it was evidently necessary that extreme vigilance should be exercised to prevent supplies reaching the enemy through neutral countries. But, apart from that consideration, it appeared to the Government to be desirable that the metal industry should be freed from alien manipulation.

The attention of Mr. Hughes was first directed to the control over Australian base metals which had been acquired by German firms, by a publication which was never intended to have such a shattering effect as was produced. Professor Robert Liefmann contributed to the *Weltwirtschaftliches Archiv*, a magazine published at Jena for dealing with international-economic science, an article on the organisation of the metal trade concentrated at Frankfort-on-Main. This article was reprinted in 1913, in the original German, together with an English translation, in three consecutive numbers of the *Lloyd-Zeitung*, the fortnightly organ of the Norddeutscher-Lloyd Company. Professor Liefmann's object was to demonstrate that the Frankfort metal firms had built up an enormous, world-wide business, which was by this time only secondary in magnitude and importance to the great electro-technical works of the Allgemeine Elektrizitätsgesellschaft, and Siemens and Halske. He showed how the Metallgesellschaft had obtained controlling interests in French and Spanish copper companies; how the Metallurgical Company of America, the African Metal Company, Merton & Company of London, and "the Australian Metal Company of London and Melbourne" were all in reality controlled from Frankfort Companies in Ohio, Colorado, Oklahoma, Mexico,

and Canada were in reality subject to Frankfort dictation, and the control extended to zinc, aluminium, nickel, copper, and tin. Frankfort, Professor Liefmann demonstrated, was "the stock-capitalistic head of the whole concern, the rest of the companies being practically daughter companies." Beer, Sondheimer and Company and Aron Hirsch und Sohn were also located at Frankfort, and worked in harmony with the great Metallgesellschaft. In short, it was claimed, "the metal trade of Frankfort-on-Main embraces with its enterprises the whole world."

Mr. Hughes, after studying Professor Liefmann's inspired "hymn of praise" of the Frankfort octopus, watched the metal business with close attention. The reasons why German corporations had attained such influence in the metal market were twofold: first, the application of highly-trained scientific intelligence to the treatment of ores; and, secondly, skilful financial and commercial organisation, which was world-wide in its operations. The Metallgesellschaft—which carried on business in Australia as the Australian Metal Company, in the United States as the American Metal Company, and in the United Kingdom in conjunction with Messrs. H. R. Merton and Co.—was the most powerful corporation. Two other important German firms were Beer, Sondheimer and Company, and Aron Hirsch und Sohn, both of whom had entered into contracts which gave them large purchasing power. The information in possession of the Government indicated that these three firms, though outwardly competing for the purchase of Australian zinc concentrates, were in reality partners in this business; that the Lead Convention, of which the Broken Hill Proprietary Company was a member, sold the whole of the lead refined at the Port Pirie smelters and was entirely under German control; that the Zinc Convention, also under German direction, purchased substantially the whole of the Australian zinc concentrates; that Aron Hirsch und Sohn purchased all the copper produced by the Wallaroo, Moonta, Mount Lyell, and Mount Morgan companies; that in 1913, out of about 800 tons of wolfram and scheelite exported from Australia, nearly 600 tons went to Germany; and that, in fact, throughout the base metal industry German influences were paramount.

The contracts entered into by Australian companies with these German corporations before the war were occasioned by purely commercial considerations. It was said that Germany, under the cloak of enterprise in the treatment of metals, had prepared for war by accumulating large reserves of the metals which were essential for the manufacture of munitions; and it is probable that the German War Office had acquired stocks to meet belligerent emergencies. But there is no reason to suppose that any Australian firms sold through German agencies with any other object than to obtain the best prices for their commodities, and the best prices ruling in the world were in fact obtained by these means. The position changed when it became necessary to prevent the danger of Germany being supplied during the war through agencies which were beyond British control.

II

Mr. Hughes began his attack upon the German metal control in December, 1914, when, at his instance, the Commonwealth Government cabled to the Secretary of State, suggesting that the opportunity had arisen, with the co-operation of the Imperial Government, to free the lead, zinc, copper, and tin industries from German domination. The Merton group of metal companies, whose headquarters were at Frankfort, was alleged to control the "output, distribution and price" of the world's base metals. The Commonwealth Government desired to divert this trade "from the enemy to the Empire." The estimated value of the annual output of Australian metals was about £15,000,000.¹ The Commonwealth proposed to initiate legislation which would enable contracts with German firms to be terminated, and suggested that probably legislation by the Imperial Parliament would be necessary to enable British citizens elsewhere to terminate similar contracts.

But the proposition was not so simple, viewed from the British point of view, as it appeared to be from the Australian aspect. The Imperial Government, though repeatedly pressed from Australia, hesitated to follow Mr. Hughes's lead. Not until July, 1915, did the Secretary of State even go so far as

¹ The actual output for 1915 was about £17,000,000 and for 1916 over £18,000,000.

to explain what the difficulties were. He then cabled that "the matter is very complex." Legislation by the Imperial Parliament might have far-reaching consequences, including reprisals by the German Government. "In view of the complications which would ensue if Germany made reprisals, we should be glad if for the time being your Ministers could see their way to proceed slowly in declaring contracts void until our proposed action is more advanced."

The Commonwealth Government was disappointed. At the moment, fighting the metal companies was the pet project of Mr. Hughes's enthusiasm. He would smite them hip and thigh; and the cold water thrown from Downing-street, so far from chilling his ardour, evaporated as soon as it touched his caloric surface. Though admitting that vast interests might be involved in a general annulment of British-German contracts, Mr. Hughes urged that "as for German reprisals, it is considered that as the control of base metals is vitally necessary for munitions purposes, no possible reprisals can compare with the present position, in which nearly all channels, through which [flow] these essentials to the successful prosecution of the war, are dominated by German influence."

Before this, by the 24th of May, 1915, Mr. Hughes had put through the Commonwealth Parliament the Enemy Contracts Annulment Act, 1915, a far-reaching and drastic measure, which not merely enabled enemy contracts to be annulled, but actually annulled them when once they were declared "enemy." The Act defined "enemy contracts" as any contract—

- (a) to which an enemy subject is a party; or
- (b) in which an enemy subject has, in the opinion of the Attorney-General, a material interest; or
- (c) which is, or is likely to be, for the benefit of enemy subjects or of enemy trade.

It enabled any party to a contract to file a copy of it with the Attorney-General and apply to him for a declaration that the contract was or was not an enemy contract. His declaration would determine its nature.

Every enemy contract was declared to be null and void—except (as to contracts made before the commencement of the

war) as regards rights and obligations relating to goods delivered and acts performed before the war, or arising out of the consideration for such delivery or performance.

It will be observed that this act was to operate on application by a party to the Attorney-General. In July, 1915, Mr. Hughes complained that not one of the metal companies had taken advantage of the act—no application for annulment had been received. He said:

The great difficulty we are in is that agencies through which the metallic productions of Australia find their way to British and other markets of the world are still dominated mainly by German influence. I know this to be a very serious allegation to make, but it is absolutely true. Names have been changed, English names have taken the place of German names, but the German influence remains. It would be folly to assume that this influence has been exercised for the benefit of Great Britain. It would be much more satisfactory if the British Government would make a declaration of its policy regarding metals, so that we might know exactly what we ought to do. The difficulty is that although we have done everything within our power to free the companies in Australia from German control, and enable the British Government and British enterprise to handle our metals, we have not had support to ensure success.

"Patriotism and common prudence," Mr. Hughes insisted, "alike suggest at this juncture the wisdom of controlling those metals upon which, indeed, success in this great war must depend." The principal metal companies asserted that since the war they had sold all their products to British firms, and that all metals exported had been with the permission of the Government; and the Minister for Defence said in the Senate (July 16th): "The Government have satisfied themselves, through communication with the British Government, that the persons to whom these materials are consigned are using them for the purpose of the Allies, and not of our enemies."²

The fact is that within a few days of the passing of the act strong doubts were expressed—for example, by Mr. E. F. Mitchell, a leading barrister in Victoria—as to its validity. Some of the producers—especially the companies which had their head offices in London—were very doubtful of the power of the Commonwealth Parliament to annul contracts. The

² Detailed statements were published by the North Broken Hill Limited, Broken Hill South Silver Mining Company, and Broken Hill Associated Smelters Proprietary, in *The Argus*, 28 July, 1915; by Amalgamated Zinc (De Bavay's) Limited on July 29; the Mount Lyell Company on July 23; Goldsbrough Mort and Co., which was alleged to have had transactions with H. R. Merton and Co. on July 23.

case of *Farey v. Burvett*, June, 1916, had not yet shown the scope of the Federal powers in regard to defence. The companies were also—particularly as regards zinc—in the dark as to what the post-war course of trade would be; whether the contracts were not merely suspended during the war, and whether their cancellation might not leave the industry without a market.

However, application was now made to the Attorney-General for a declaration as to the contracts with the Australian Metal Company, and in August, 1915, these were declared by him to be enemy contracts.³ Some of the doubts of the producers were allayed by the passage of State acts⁴ in the same terms as the Enemy Contracts Annulment Act of the Commonwealth; but the decision of the High Court in *Farey v. Burvett* really removed all question as to the power of the Federal Parliament so far as Australian legislation in war time was concerned, and in August, 1916, on the application of the producers, a batch of contracts with Aron Hirsch und Sohn were declared by the Attorney-General to be enemy contracts within the meaning of the Commonwealth and the State acts.⁵

III

There still, however, existed doubt as to whether legislation by the Imperial Parliament was not necessary to ensure that the producing companies in Australia would not be subject to action for breach of contract if, by declaring their contracts annulled under Commonwealth legislation, it should hereafter be found that this was not sufficient to guarantee immunity to them.

It was therefore suggested by Mr. Hughes that the Imperial Government should initiate legislation to annul contracts between enemy subjects and British subjects relating to Aus-

³ *Manual of Emergency Legislation*, published by authority: Crichtley Parker, Melbourne, 1916, pp. 287-8. In this publication and its two supplements—1916 and 1918—will be found all proclamations, orders, etc.

⁴ *Vic* Enemy Contracts Cancellation Act, 1915, No. 2603. Passed 6 Sept., 1915. *N.S. Wales*. Enemy Contracts Annulment Act, No. 24 of 1915. Assented to, 14 Sept., 1915. *S. Aust* Enemy Contracts Annulment Act, 1915, No. 1193. Passed 1 Oct., 1915.

⁵ *Manual of Emergency Legislation, Second Supplement*, pp. 986-7

tralian products; secondly that the British Government should take an option over all, or any quantity of, Australian copper, lead, and zinc, or deal directly with the Commonwealth Government for their purchase; and that the British Government should ascertain if it was not possible to secure spelter works in the United States or other neutral country, or in Belgium, which would treat zinc concentrates on reasonable terms; or alternatively, do so itself. After carefully considering the question with the law officers of the Crown, the Secretary of State confessed that he had been forced to the conclusion that general legislation on the lines of the Australian Act of Parliament with respect to enemy contracts was impracticable, even if limited to contracts affecting Australian products.

The vigorous action taken in Australia, however, stimulated various currents of opinion in Great Britain. Leading articles prodded the Imperial Government, and a fire of questions in the House of Commons disturbed them. It became impossible for them to ignore the metals question. It was raised by means of a direct motion at the Imperial War Conference of 1917. Mr. Hughes was not present at this conference, owing to the exigencies of Australian politics at the time when it was summoned, but his influence was at work, discussion could not be avoided, and the following resolution was unanimously passed:⁶

That it is desirable that the exports to foreign countries of important ores and metals (the produce of the British Empire) should be controlled for a period after the war; (2) that the Conference would welcome an appropriate measure for the purpose of freeing the Empire and the Allied Countries from any previous dependence on German-controlled organisations with respect to non-ferrous metals and ores; (3) that the Government of the Empire should consider the desirability of imposing restrictions on the acquisition of mineral rights within the Empire by or on behalf of subjects of the present enemy States.

The Imperial Government responded to the request by introducing the Non-Ferrous Metal Industry Bill, which Parliament passed in 1918.⁷ This measure did not go to the

⁶ This was resolution XIX of the Imperial War Conference of 1917, but it was not printed in the official report. It was deemed desirable to treat it as confidential, and the place where otherwise it would have been printed was occupied by a line of asterisks. But the text of the resolution was quoted in the course of the discussion on non-ferrous metals at the Imperial War Conference of 1918, and was printed in the official report thereof—*Parliamentary Papers, 1918, Vol. XVI, p. 737.*

⁷ *Public General Statutes of the Reign of George V, Vol. LV, p. 424.*

length of the Australian Enemy Contracts Annulment Act by annulling contracts with enemy firms, but preferred to proceed by administrative methods. It made it unlawful for any firm or individual to carry on business in metals or metallic ores unless licensed to do so by the Board of Trade; and the Board might refuse to grant a licence unless satisfied that it was expedient to do so.

Mr. Hughes did attend the Imperial War Conference of 1918, when he expressed his dissatisfaction with the act. He was, he said, "horse foot and artillery against" the administrative mode of dealing with the question, being satisfied that nothing short of statutory prohibition would be sufficient to dispossess German influence from the metal trades. He therefore strongly opposed a motion which was submitted to the conference expressing satisfaction with the act, and secured the insertion of an amendment urging the governments of the States within the British Empire to adopt "effective measures in so far as these may be necessary and have not already been taken" to carry out the policy. He explained the procedure which had been adopted in Australia, and made it clear that he was satisfied with the solution which his own government had adopted. The resolution passed by the 1918 conference was in the following terms:

In pursuance of the policy of freeing the Empire from dependence on German-controlled organisations in respect of non-ferrous metals and ores, the Conference endorses the principle of the Non-Ferrous Metal Industry Act of the United Kingdom, and recommends the governments of the Empire to adopt effective measures, in so far as these may be necessary and have not already been taken, to carry out this policy.

As the British act had not been passed till the last year of the war, it cannot have had very much effect in the direction in which Mr. Hughes desired to go, and he can hardly have avoided the feeling that he had been flogging an unwilling horse in endeavouring to secure British co-operation. But he may have enjoyed the flogging, which, through the portion of the press influenced by him, was certainly vigorous. At a dinner of the British Empire Producers' Organisation at the Savoy Hotel on July 24th, he concentrated his attack on the firm of Henry Merton & Company, Ltd., which had formerly been a branch of the Metallgesellschaft, and

which still contained (through a Swiss company) a certain amount of German capital. Some of the Merton family were German, and until lately the company had supplied practically all the nickel required by the British Government. The fact that this company was still trading in London raised Mr. Hughes's wrath. "There is something about . . . their intimate relations with the Government during the war that I do not understand," he said. This and other attacks brought from the company writs of libel against Mr. Hughes and *The Daily Mail*, but Mr. Hughes repeated them frequently during the next three months. "I shall refer to the matter as often and as strongly as strong actions are necessary," he said. Meanwhile, a licence to trade having been refused under the act, the firm went into voluntary liquidation. The libel action against Mr. Hughes was settled in March, 1920, by agreement, it being stated in court that, although attacking an international organisation, Mr. Hughes made no allegation against the directors or officers of the company personally. The cost of the case to the Commonwealth Government was £3,055 in London and £3,400 in America.

IV

Although, as just shown, the encouragement from the Imperial Government in respect to the metal industries was not cordial, Mr Hughes, in the country where his authority was supreme, determined to create machinery which would achieve his purpose. The Enemy Contracts Annulment Act 1915 of the Commonwealth needed to be reinforced by strong executive action. For this purpose full use was made of the ample authority conferred by the War Precautions Act and the regulative powers of the Customs Act. Inasmuch as the handling of metals and their marketing involved many technical questions, he was anxious to secure the services of an independent expert adviser, and for that purpose an officer of the Attorney-General's Department was directed to make inquiries. The man required was one possessed of the necessary knowledge of metals, who at the same time was not connected with any of the firms concerned with producing or selling them.

Mr John Higgins,⁸ then living in retirement in Melbourne, was deemed to be the right person. But, on being interviewed in behalf of the Government, Mr. Higgins explained that, though it was true that he had formerly been actively associated with metal enterprises, he had for some years been confining his attention to pastoral interests. As a public-spirited citizen he was anxious to render whatever service the Commonwealth Government might consider him fitted to perform, yet he was at first somewhat disinclined to undertake a task which bristled with difficulties, might be formidable, and would certainly deprive him of the leisure for the private studies to which he was devoted. Mr. Hughes, however, having satisfied himself that Mr. Higgins was the man the Government wanted, was not to be baulked by a personal reluctance; and a peculiar War Precautions Regulation was proclaimed which was wide enough to enable the Government to commandeer the services of any person who could give assistance. The regulation of 7th July, 1915, dealing with "Metals and Metallic Ores," therefore required⁹

all persons specified in any summons under the hand of the Attorney-General, to attend at the office of the Attorney-General . . . at such time as is specified in the summons, for the purpose of conferring with the Attorney-General, in relation to the subject-matter of the above-mentioned inquiry, and of giving to the Attorney-General such information in relation thereto as the Attorney-General requires, and to produce documents and papers, and to answer questions, and to make returns in such manner and within such times as the Attorney-General thinks fit, in relation to the subject-matter of the said inquiry.

At a later date Sir John Higgins—he was knighted in 1918—explained how the War Precautions regulation was framed virtually to requisition his services, and what the policy of the government in respect to metals was. He wrote:

When I assumed the position of Metallurgical Adviser to the Commonwealth Government (practically my services were requisitioned under the War Precautions Act), I was instructed by the then Attorney-General, Hon. W. M. Hughes, that the policy of the Commonwealth Government regarding metals was to have, if possible, all ores and metals treated and refined within the Commonwealth, and to submit proposals to give effect to this policy¹⁰

⁸ Sir John Higgins, G C M G. Metallurgical Adviser to Commonwealth, during Great War, Chairman of Directors, Brit.-Aust. Wool Realisation Assn., and Chairman of Australian Board, 1921/26. Liquidator, 1926/32. Metallurgist and pastoralist; of Toorak Vic.; b. Castlemaine, Vic., 9 Dec., 1862. Died 6 Oct., 1937.

⁹ *Manual of Emergency Legislation*, p. 260-1

¹⁰ Letter dated 29 Nov., 1918, in *Commonwealth Parliamentary Papers, 1917-19. Vol. V*, p. 5.



44. SIR JOHN HIGGINS, HONORARY METALLURGICAL ADVISER TO
COMMONWEALTH GOVERNMENT, 1915-16; CHAIRMAN, CENTRAL
WOOL COMMITTEE, 1916-20

Photo by Broothorn Melbourne

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45 SAMPLES FOR THE WOOL PURCHASE SCHEME

(Now at the Technological Museum, Sydney.) These represented the wools of Australia purchased by Great Britain under the 1916-20 scheme. The specimens were numbered as follows: *Merino*—combing 1-156, clothing 157-202, carbonising 203-224, black 225-230, plucked and dead wool 231-235, clothing (lambs) 236-254, carbonising (lambs) 255-262, *Crossbred*—combing 263-355, clothing 356-397, carbonising 398-436, black 437-440, plucked and dead wool 441-445, combing (lambs) 446-463, clothing (lambs) 464-487, carbonising (lambs) 488-499; *Queensland Scoured Specialties and Similar Types*—Merino combing 500-506, Merino clothing 507-548, Merino clothing (lambs) 549-553, *Scoured Skin Wool Merino*—combing 554-582, clothing 583-601, carbonising 602-614, *Scoured Skin Wool, Crossbred*—combing 615-780, clothing (lambs) 781-794, carbonising 795-826, carbonising (lambs) 827-848.

The importance of the connection thus formed between Sir John Higgins and the war-time activities of the Commonwealth Government was not confined to metals, though in this task—to use a phrase of Mr. Watt—he undertook “herculean labours.” The work broadened out, and, when the marketing of wool became an urgent problem, his successful handling of metals induced the Government to place him in charge of the organisation of the Wool Pool, concerning which Mr. Watt, while Treasurer and Acting Prime Minister in 1919, said that he “laboured himself almost to a standstill for over four years in gratuitous war service, because his heart was in the national cause and in the war cause”; and the Wool Pool itself was described by the same authority as “the biggest financial and commercial task that ever confronted anyone south of the line.”¹¹

V

To give effect to the policy of the Government it was necessary:—

1. to provide for the control of the sale and export of base metals;
2. to provide organisations which could assume contractual obligations on behalf of the producers;
3. to provide smelting and refining capacity for the treatment of ores (minerals) and metals.

Sir John Higgins recognised the importance of maintaining channels of trade so that there would be a minimum of dislocation when peace returned. Also he desired to avoid bureaucratic control. He felt that an opportunity had occurred for the base metal industry to organise itself on lines which, whilst providing for war requirements, would also place it in a strong position to repel attempts at foreign domination when normal trading was resumed. It was vital to the Government's war policy that the export of ores, concentrates, and metals should be controlled. It was also important to the producers that they should establish a closer contact with their markets than was provided by sales to metal merchants on average prices.

¹¹ *Parliamentary Debates, LXXXVIII, p. 10360.*

As the first step Sir John Higgins conceived the idea of a metal exchange, membership of which would be restricted to those engaged in producing, buying, selling, treating or refining metals or minerals, or to representatives of British concerns so engaged. This proposal was made by Mr. Hughes to a representative meeting of interested parties and, after much discussion, was accepted. Rules and regulations were framed and on the 6th of September, 1915, the Australian Metal Exchange came into being. Committees were formed in Sydney and Melbourne and from then, until the Government relinquished control, the exchange was the medium through which the Government exercised its powers over the export of base metals. The chairman was Mr. Lennon Raws,¹² and the registrar Mr. Nicholas.¹³ The exchange was self-supporting, its expenses being paid from the members' fees and a toll charge of one shilling for every £100 in value of the contracts registered. The exchange was a voluntary organisation, but the Government required registration with it as a condition precedent to export. The power of prohibiting export under an unregistered contract was derived from the sections of the Customs Act already referred to, and the grounds of objection to shipment might be based either upon the hostile origin or associations of any person concerned, or, in the case of ores, upon the fact that facilities for treating them existed in Australia. The registrar was bound to secrecy (except for disclosure to the Attorney-General) in respect of the contracts registered. The exchange registered contracts for the sale of metals and minerals to the value of £35,000,000.¹⁴

The metals and minerals requiring registration were all ores, concentrates, precipitates, and furnace products containing gold, silver, iron, zinc, copper, etc.; and all metals in a refined or partially refined state, including iron, steel, copper, zinc, lead, brass, antimony, tin, and arsenic; but gold, silver, and platinum in refined state did not fall within the province of the exchange.

¹² Lieut.-Col. Sir Lennon Raws, C.B.E. Manager, Elder Smith & Co., Melbourne, 1914/18, Chairman, Aust. Metal Exchange, 1915/23; President, Melbourne Chamber of Commerce, 1924/25, Associated Chambers of Commerce of Aust., 1925/26; Managing Director, Imperial Chemical Industries of Aust. & N.Z., Ltd., since 1927. Of Adelaide and Melbourne; b. Kimbolton, Eng., 7 Aug., 1878.

¹³ F. G. T. Nicholas, Esq. Registrar, Aust. Metal Exchange, 1915/23. Stock and share broker; of East Malvern, Vic.; b. St. Kilda, Vic., 7 Jan., 1865.

¹⁴ See Sir Lennon Raws on "The Marketing of Australian Base Metals," in *The Economic Record*, Feb. 1928, p. 88

The second step to be taken was the organisation of producers to enable supplies of metals for munitions purposes to be made available to the Allied Governments. Here again Sir John Higgins looked beyond immediate requirements.

The only instance in which the Government acted by proclamation was in regard to the rare metals. Production was so scattered and intermittent, and on such a small scale, that the organisation of producers was impracticable. Therefore the Government acting as agent for the Imperial Government acquired at fixed prices the whole of the Australian production of wolfram, tungsten, scheelite and molybdenite for the period of the war and six months afterwards. The disadvantage of "commandeering" became evident as soon as the uncontrolled outside market price rose far above the fixed price. Producers became dissatisfied and clamoured for better terms. However, tungsten to the value of £372,500 was sold to Great Britain under this arrangement.

The larger copper suppliers came together and formed the Copper Producers' Association. Control of the output of the smaller mines and prospecting shows was secured through the smelting and refining companies, which purchased the ores either outright or on smelter terms. Through the Copper Producers' Association, the British Munitions Department purchased the whole of the Australian exportable surplus of copper, which during 1918 amounted to £3,850,000.

The formation of the Broken Hill Associated Smelters Proprietary in conjunction with the Sulphide Corporation, which had a refinery at Cockle Creek, New South Wales, provided the medium through which the lead production of Australia could be made available for munitions purposes.

VI

The most difficult of the metal problems arose out of the zinc industry. Australia was, at the beginning of the war, the second largest producer¹⁵ of zinc ore in the world, but the control of the production from that ore was in the hands of the three foreign firms known as "the Zinc Trio," namely, Peer, Sondheimer & Company, Aron Hirsch und Sohn, and

¹⁵ The largest was the United States, which enormously increased its output during the war.

the Metallgesellschaft. Over 500,000 tons of zinc concentrates were produced in Australia annually before the war, but only 5,000 tons of metallic zinc were distilled there. Under normal conditions Great Britain consumed 180,000 tons per annum, but less than 30,000 tons were distilled within that country. When the German control over Australian zinc was destroyed by the Enemy Contracts Annulment Act and by administrative action, the channels through which the product reached Europe were demolished, and it became necessary to create fresh ones. From 1911 to 1914 the average annual value of the Australian output of zinc ores and concentrates was over £1,400,000. During the war the output greatly declined, but the sharp increase in the price of zinc, from £23 15s. per ton, the average for 1911-14, to £67 in 1915, £72 in 1916, £52 in 1917, £54 in 1918, and £42 in 1919 helped to lighten the fall. Prior to the war the bulk of the Australian output was refined in Belgium, and, when that country was closed by the German invasion, there existed no smelting capacity in the world to absorb the output. The anomalous position was thereby created that, though there was a huge output of zinc concentrates within the British Empire, the metal was not being produced in useable form, and Great Britain was compelled to purchase her supplies from the United States at very high prices. In 1915 Great Britain was paying as much as £115 per ton for zinc, an indispensable requisite for war purposes. It therefore became clear that energetic steps must be taken to make available the ample resources of Australia.

On the 1st of September, 1915, Mr. Hughes addressed a letter to the principal mining companies outlining the policy of the Government in regard to metals, and asking for their co-operation. The Broken Hill Associated Smelters, the Zinc Corporation Limited, the Sulphide Corporation, and the Broken Hill Proprietary Company intimated that they were in accord with the policy. Mr. Hughes thereupon called a conference of the producers of zinc concentrates to discuss the questions of finding markets for their products and the distillation of spelter. At this conference, on October 14th, Mr. Hughes suggested that the zinc producers should co-operate to form an association to handle the whole Australian output.

Negotiations ensued, and on December 28th Mr. W. L. Baillieu advised the Prime Minister that at a meeting of the producing companies the following resolutions had been adopted:

(1) That the producers pledged themselves to support the proposal to extend the smelting and/or treatment of zinc ores within the Empire and undertake to give the Prime Minister support in every way.

(2) That in the opinion of producers such ores which are not smelted within the Empire should be, if possible, utilized for the maintenance or extension of the great zinc industry of France and Belgium.

(3) That during the period occupied in carrying out any scheme that may be ultimately decided upon, the producers of zinc concentrates will act in unison regarding sales for export in order that there shall be centralisation of communication with the Federal Authorities and also to restrict competition amongst the sellers and secure a better price for their production.

Further negotiations between the thirteen interested companies brought to the surface disagreements; the London Boards of the three companies that had headquarters there were concerned about post-war smelting arrangements, and also about the German contracts being held valid after the war. At one time the whole scheme appeared to be in danger of collapse, but further conferences, and some amount of pressure by the Government, brought about agreement on 31st March, 1916.

A co-operative company called the Zinc Producers' Association Proprietary Limited was formed to handle all zinc concentrates produced within the Commonwealth. It comprised all the zinc producing companies in Australia, which agreed to sell their output for fifty years to the association, which, for a commission of one per cent., would market the zinc. The Commonwealth Government was at first represented on the board, to co-ordinate the association's business with national requirements and safeguard the interests of the community at large, but this representation was not maintained.

The Electrolytic Zinc Company of Australasia Proprietary Limited was also formed to undertake the treatment of zinc concentrates by the most modern methods. The company, which had a capital of £1,000,000, entered into a contract with the Government of Tasmania for the use of hydro-electric power, and installed its extensive works at Risdon Cove, under the skilled direction of Mr. H. W. Gepp, whose original researches into the treatment of Australian zinc ores had in fact made it possible for this great enterprise to be

undertaken. Success was assured by the action of the Zinc Producers' Association in entering into a contract with the Board of Trade, acting for the Imperial Government, which undertook to purchase, at prices on a sliding scale ranging between £30 and £40 a ton, a minimum quantity of 100,000 tons per annum of the spelter and electrolytic zinc produced in Australia for the period of the war and ten years thereafter. This contract, which was dated 9th April, 1918, expired on 30th June, 1930. The fact was announced by the Commonwealth Treasurer, Mr. Watt, in his budget speech on 25th September, 1918.¹⁶ The bargain proved to be a very profitable one for the Australian producers of zinc, but it involved the British Government in a heavy loss. The prices of metals fell heavily after the war, when the demand for them for military purposes ceased. The British Government consequently found itself in the uncomfortable position of an obligatory purchaser of large quantities of material which it did not require, at prices far in excess of the market rates. The producers, on the other hand, were provided with a secure market for their metal. The British Government naturally would have preferred to secure release from an irksome contract; the Australian zinc producers held them to it. Sir Philip Cunliffe-Lister,¹⁷ President of the Board of Trade in the Baldwin ministry, informed the House of Commons in 1929 that, by the 31st of March of the previous year, the contract had involved Great Britain in a loss of £3,900,000;¹⁸ and in February, 1930, Mr. W. R. Smith,¹⁹ the parliamentary secretary of the Board of Trade in the Ramsay MacDonald ministry, stated that the total loss to 31st March, 1929, was £5,800,688, on a total expenditure of £15,718,109.²⁰ It should be understood that the contract was not between the two governments, though Mr. Hughes acknowledged that it was made "as a result of the arrangements which were entered into by me in 1916."²¹ Had it been a contract between

¹⁶ *Parliamentary Debates*, LXXXV, p. 6341. But Mr. Watt, in reply to a question in the House of Representatives, refused to state the price.

¹⁷ Rt. Hon. Viscount Swinton, G.B.E., M.C. Joint Secretary, Ministry of National Service, 1917/18; President, Board of Trade, 1922/23, 1924/29, 1931; Secretary of State for Colonies, 1931/35, for Air, 1935. Of London; b. Ayton, Yorkshire, 1 May, 1884. (Served with B.E.F., in France, 1914/17.)

¹⁸ *House of Commons Debates*, Vol. 226, p. 1287.

¹⁹ W. R. Smith, Esq. Organiser, National Union of Boot and Shoe Operatives; member of House of Commons, 1918/24, 1929/30; Parliamentary Secretary, Board of Trade, 1929/31. B. 7 May, 1872.

²⁰ *House of Commons Debates*, Vol. 235, p. 1879

²¹ *Commonwealth Parliamentary Debates*, XCI, p. 386

governments, the demand for its reconsideration would have been difficult to resist. But the Zinc Producers' Association was a commercial corporation which considered that it was entitled to the benefit accruing from its bargain. The figures quoted in the House of Commons, taken by themselves, might lead to the inference that Australia benefited to an unfair degree from contracts made with the Board of Trade for the supply of commodities. But such was not the case. Great Britain made a profit of £33,659,011 from transactions in wool, and benefited also largely from lead. Complete figures are not available, but there is no reason for doubting that, over the whole range of commodities supplied during the war, the Board of Trade made very good bargains from the British point of view.

The Electrolytic Zinc Company was one of the undertakings which implemented the third stage in the Government's policy, another important factor being the purchase from the Broken Hill Proprietary Company of its smelting works at Port Pirie, South Australia. The buyer was the Broken Hill Associated Smelters Proprietary, a co-operative company comprising the principal mines at Broken Hill. Here was developed the largest silver-lead smelting plant in the world, capable of producing annually 200,000 tons of pig-lead and from 5,000,000 to 6,000,000 ounces of silver.

The principal electrolytic refining plant for copper was at Port Kembla, New South Wales, in which Aron Hirsch und Sohn had been largely interested. Their interest was acquired by the Hampden Cloncurry and Mount Morgan Company, and the Electrolytic Refining and Smelting Company of Australia Limited became practically a co-operative concern. Its capacity for electrolytically refining copper-gold-silver ores was increased, and the installation of reverberatory furnaces and other modern equipment enabled it to produce fire-refined copper from those ores which did not contain sufficient precious metal to justify electrolytic treatment.

A new company, Metal Manufactures Limited, erected a plant in close proximity to the refinery at Port Kembla for the production of copper and brass wire, telephone cables, tubes, plates and alloys.

As a result of this final stage of the Government's policy the production of refined lead, copper and zinc in Australia increased from 96,341 tons in 1914 to 210,778 tons in 1918.

VII

The purposes of the Government were completely realised and Australian metal industries were considerably benefited. Australia was able to make a substantial contribution to the munitions requirements of the Allies, and the satisfactory terms arranged gave the producers the certainty of a market which would absorb the whole of their production. Although, therefore, it seemed at the outbreak of the war that the derangement of the metal market would prove disastrous to Australian producers, in fact they benefited greatly from the secure basis on which the trade was reorganised.

The intervention of the Commonwealth Government in the base metal industry was as much a part of its war policy as the enlistment and despatch of troops, and to be fully effective it had to be a constructive policy. To eliminate enemy influence was not sufficient. If no more than that had been done, the metal resources of Australia would not have been available for Great Britain and her allies.

The effect of merely uprooting the powerful interests of German metallurgists would have been to throw the metal trades into disorganisation. The establishment of the Metal Exchange ensured that all metals exported from Australia should be handled by dependable agencies. The road was thus cleared for the treatment of ores by Australian industries, amply capitalised, well-equipped and directed by highly trained technical and scientific ability; and the fact that fresh capital was invested in metal industries during the war period to the extent of £7,000,000 is a proof that the constructive aspect of the policy was amply regarded. The Government could not fulfil its obligations to the Imperial cause by a negative policy; it felt impelled to encourage the full utilisation of the metallic resources of the country. By so doing it conferred great advantages upon the metal producers. Their market was assured. Indeed, they were placed in an extremely advantageous position.

CHAPTER XVI

THE WOOL PURCHASE

THE Great War made larger demands upon the material resources of the nations engaged in it than any previous war in history had done. It was a war not only of men and money, but of all the things which armies require to keep them fit for fighting, and which non-combatants require to keep them alive. Governments were compelled to assume control of these resources, to ration them, to take stock of the quantities available, to provide as far as could be done against shortage, in order that war might be waged. Cotton, wool, wheat, sugar, all kinds of food-stuffs, and all varieties of materials, were hardly less important than were metals and the chemical constituents of which explosives were made. It became apparent that these supplies could not, consistently with national safety, be left in control of private individuals and bought for military purposes through the ordinary commercial channels. The demand was so large, the necessity for making them available when and where they were wanted was so urgent, that departments responsible to the governments had to be created to manage their purchase and utilisation. The necessity for this kind of control in Great Britain was first made apparent through the break-down of private enterprise in the supply of munitions. Manufacturing firms which had hitherto been entrusted with contracts were failing to make at the proper time deliveries of the quantities ordered. That is why a Ministry of Munitions was created, which soon took within its grip the whole of the iron and steel resources of the United Kingdom, operating existing works and creating vast new factories wherein prodigious quantities of munitions were produced.

The process which commenced with the government control of iron and steel was perforce extended to the control of railways, shipping, coal, foods, and the raw materials for manufactures. The Raw Materials Department in Great Britain, of which Sir Arthur Goldfinch¹ was the director, was just as much a necessity of the war as was the Munitions

¹ Sir Arthur Goldfinch, K.B.E. Director of Raw Materials, War Office, 1917/21; Chairman of London Board, Brit.-Aust. Wool Realisation Assn., 1921/26. Merchant banker; of Valparaiso and London; b. Valparaiso, 10 May, 1866.

Ministry; and it was that department which, in 1916, found itself compelled to make enquiries with a view to obtaining supplies which involved securing the whole of the Australian wool clip. Sir Arthur Goldfinch himself has explained how his department was driven to this course through the enormous demand for wool created by the war:²

In the second year of the war it became apparent that the rapidly increasing requirements of woollen clothing for the Allied troops demanded extraordinary measures adapted to the emergency conditions. Before we interfered with freedom of trade in wool, France and Italy had commandeered the home clips at a small percentage above pre-war prices.

The negotiations of Mr. Hughes with Lord Milner have been mentioned in a previous chapter.³ The British Government at first intended to secure only the wool required for uniforms, and, as British wool was suitable for this, it was hoped that the only additional supply with which the Government need concern itself was that of crossbred wool. The British supply, therefore, was purchased, and the Raw Materials Department suggested that the crossbred clip of Australia and New Zealand, which also was suitable, should be acquired. Mr. Hughes had now left England, but the Australian High Commissioner and the Prime Minister of New Zealand, Mr. Massey, objected on behalf of the wool-growers to a discrimination between merino and crossbred wools, the effect of which probably would have been to create the anomaly of the finer classes of wool selling for less than the coarser classes, while also the shortage in shipping facilities would have led to an unfair differentiation in marketing between the growers of different classes of wool. The Raw Materials Department therefore, on the 14th of November, 1916, submitted by cable an offer to purchase—after allowing for local needs—the whole wool clip of Australia and New Zealand. The message stated that the British Government had already requisitioned the whole clip of the United Kingdom at an increase of 35 per cent. on 1913-14 prices. In conformity with the scheme of Mr. Hughes and Lord Milner, it was suggested that the prices for Australian and New

² Goldfinch, *State Control in War and Peace*, p. 38.

³ Chapter XIV, "*Australian Trade during the War*," Section iii. A good account of the transaction is given in *Experiments in State Control* by E. H. M. Lloyd (Carnegie Endowment Series).

Zealand wool should be 1913-14 prices plus 55 per cent. If this sale involved loss to the purchaser, the United Kingdom would bear it; if a profit, this would be shared with the seller.

For the next few days Mr. Hughes was constantly in conference with representatives of the wool industry in Australia. On November 20th and 21st fifty of them met him, and a representative committee was appointed, and on the 25th it was announced by the War Office that the purchase of the wool of both dominions had been agreed to and the details were being arranged. The price was 15½d. a pound for greasy wool (with an equivalent rate for sheepskins). Mr. Hughes afterwards claimed that he secured for the pastoralists ½d. more than they had been prepared to ask.⁴

The committee appointed at the conference on November 21st was thenceforward charged with managing the supply of Australian wool to Great Britain. Its chairman, nominated by the Commonwealth Government, was Mr. John Higgins, who by that time had been appointed Honorary Consulting Metallurgist and had organised the Metal Exchange. The remaining eight members were: Mr. Edmund Jowett⁵ and Mr. John Archibald Campbell⁶ (and, on his death, Mr. Franc Brereton Sadleir Falkiner⁷), representing the growers; Mr. Walter James Young,⁸ Mr. Andrew Howard Moore,⁹ and Mr. William Stevenson Fraser,¹⁰ representing the wool sellers; Mr. Robert Bond McComas,¹¹ representing the wool-buyers;

⁴ The price was based on 15d. per pound for greasy wool (50 per cent. on the 1913-14 average rates of 10d. per pound greasy). At the date of the Imperial Government contract there had been shipped or sold a quantity of 1913-14 wool of somewhat lower than average quality, and an addition of ½d. per pound was therefore made to cover the better quality of the balance of the Australian wool to be delivered under the contract for the 1913-14 clip. In addition ½d. per pound was added to cover the usual delivery, storage, appraisement, fire insurance, and other charges. Later this charge was increased to ¾d. Sheepskins were rated according to the variety of their wool.

⁵ E. Jowett, Esq. M.H.R., 1917/22. Pastoralist; of Toorak, Vic.; b. Manningham, Bradford, Eng., 6 Jan., 1858. Died 14 Apr., 1936.

⁶ J. A. Campbell, Esq. Pastoralist; of South Yarra, Vic.; b. Bullock Creek, Vic., 28 June, 1854. Died 9 Dec., 1916.

⁷ F. B. S. Falkiner, Esq. M.H.R., 1913/14, 1917/19. President, N.S.W. Sheep-breeders' Assn., 1919/25. Pastoralist; of "Haddon Rig," Warren, N.S.W.; b. Ararat, Vic., 18 June, 1867. Died 29 Oct., 1929.

⁸ Sir Walter Young, K.B.E. Managing Director, Elder, Smith & Co. Adelaide, 1912/40. Of Adelaide and Mt Pleasant, S. Aust., b. Moonta, S. Aust., 2 April, 1872. Died 5 Jan., 1940.

⁹ A. H. Moore, Esq. General Manager, Harrison, Jones & Devlin, Ltd., Sydney, 1882/1922; subsequently Chairman, Sydney Board, Goldsbrough, Mort & Co. Ltd. B. Adelaide, 25 Nov., 1851. Died 19 Jan., 1930.

¹⁰ W. S. Fraser, Esq. Chairman and Managing Director, Younghusbands Ltd., Melbourne. B. South Yarra, Vic., 23 Sept., 1863. Died 21 Feb., 1928.

¹¹ R. B. W. McComas, Esq., C.M.G. A director of C'wealth Bank, 1924/35. Merchant and wool-buyer, of Hawthorn, Vic.; b. Fitzroy, Vic., 2 Aug., 1862. Died, 19 Aug., 1938.

Mr. Burdett Laycock,¹² representing the manufacturers; and Mr. Frederick William Hughes,¹³ representing the scouring industry. Mr. J. M. Balfour¹⁴ was the secretary. Valuable assistance was rendered by State committees, elected by conferences of growers in each State.

From the 21st of November, 1916, till the 30th of June, 1920, when the contract with the British Government expired, the Central Wool Committee had complete control of the wool industry of Australia in all its branches. It drew its authority from regulations issued under the War Precautions Act.¹⁵ These regulations provided that the members of the Central Committee should be "appointed by the Prime Minister" and should "hold office during his pleasure." In each State a committee was to be constituted on the same representative basis, with the same number and proportion of members as the Central Committee, and was also to be appointed by the Prime Minister and hold office during his pleasure. Regulation 10 provided that "No person shall sell any wool or tops except through or to or with the consent of the Central Wool Committee or otherwise in accordance with these regulations." This regulation was the mainspring of the system, since it embodied the authority under which the Committee acted. It prohibited the private sale of wool, and entrusted the whole business of selling to what was substantially a government department functioning under the direct supervision of the Prime Minister. Power was given, for the purpose of carrying out the regulations, to enter any premises and inspect any documents, books, or papers, and make extracts therefrom, and whoever obstructed the performance of duties of this nature was guilty of an offence. The chairman was entrusted with power to

authorise any person to ask questions of any person who has, since the commencement of these regulations, dealt in wool, and any person who refuses or fails to answer any such question or who makes a false answer to any such question, shall be guilty of an offence.

¹² B. Laycock, Esq. Wool merchant and woollen manufacturer; of Balwyn, Vic., b. Yorkshire, Eng., 25 Oct., 1861.

¹³ F. W. Hughes, Esq. Wool merchant; of Sydney; b. Brisbane, 12 Sept., 1869.

¹⁴ J. M. Balfour, Esq. Secretary, Central Wool Committee, 1916/22; Secretary, Brit.-Aust. Wool Realisation Assn., 1921/22; Chairman Vic. Dried Fruits Board, since 1924. Public servant; of Brighton, Vic.; b. Melbourne, 30 Jan., 1874.

¹⁵ See *Manual of War Precautions*, 1918 edition, p. 187: "War Precautions (Wool) Regulations"

By universal acknowledgment the signal success of the Central Wool Committee was due in large measure to the skill, energy, and intimate knowledge of the wool industry and of financial affairs possessed by the chairman; but he also recorded his appreciation of the support accorded by the members of the committee:

One and all have given unreservedly their best efforts, years of experience, and loyal assistance. Time and services were never considered by them; there was only one object in view, *viz.*, to administer the Wool Scheme—a war measure—to the satisfaction of the Imperial Government, the Commonwealth Government, and the Wool Industry of Australia¹⁶

The Central Wool Committee handled 2,274,164,123 lb. of wool (or 7,127,090 bales), having a value of £159,896,396; and was able to claim that “every bale of wool shipped overseas was in marketable condition.” Of this huge quantity, 55,623,294 lb., at the appraised value of £3,312,966, were purchased by Australian manufacturers, who were permitted to have priority of selection. At one time £35,000,000 worth of wool, fully insured, was being stored in Australia, awaiting shipment; and every bale of it had been paid for by the British Government after appraisalment.

Centralised control enabled the wool to be handled economically. Special care was taken to improve methods of storing and shipping, a matter of great importance at a time when freights were high and shipping space restricted. One improvement which had a lasting effect was that known as double-dumping, thus described in the final report of the committee:

Shipping freight on wool is charged at so much per pound weight, and it is therefore to the advantage of the shipping companies that it should occupy as small a space as possible. The practice in pre-war days was to reduce the cubic measurement of a bale by means of hydraulic pressure, and to maintain the wool in the compressed condition by strong steel bands. This is known as single-dumping. In the process of double-dumping two bales are placed end to end in a machine, subjected to great pressure, and whilst in the compressed state bound together by steel bands or wires. Double-dumping is now general in all wool centres, and, although it was adopted to meet the exigency of the war period, its continuance is assured.

¹⁶ Sir John Higgins's addendum to *Report of Central Wool Committee, 30 Aug., 1920*. See also reports of the Committee in *Commonwealth Parliamentary Papers, 1917-19, Vol. V, pp. 1229-1259*. The figures here quoted are from the Central Wool Committee's Report; they differ slightly from those supplied by the Liquidators of Bawra, but the differences are immaterial.

The gain in shipping space effected through this improvement during the period of the Central Wool Committee's control was estimated at 1,132,500 bales, equivalent to 113 shipments, each averaging 10,000 bales.

As most of the wool clip was purchased by one buyer, the British Government, it was obvious that the normal method of determining prices, by auction, could not continue during the continuance of the Central Wool Committee's control. Wool sales had their own very interesting traditions and conventions. and the old Yorkshire proverb, "A wool seller knows a wool buyer," indicates that the two parties were shrewdly matched in striking their bargains. But auction being now perforce abandoned, the values of different classes of wool were determined by the committee's staff of appraisers. These experts were in fact men who had been in the employment of the established brokers' firms and wool houses of Australia, experienced in the classification and valuation of wool. None better could have been found for the purpose anywhere in the world. The policy of the committee was as far as possible to utilise the machinery and ability of the trade, and, the wool industry being so thoroughly established, it would have been impossible to work the new system otherwise.

The well-known wool firms consequently carried on as they had always done, taking delivery of the wool of their clients, and arranging for its sale; only, instead of the bales being offered at sales, they were bought at a flat rate by the Central Wool Committee. The wool was then examined and appraised, and the grower received or was debited with the difference between the flat rate and the appraised value. The committee's policy enabled the wool houses to carry on as usual, dealing, however, with one buyer instead of hundreds, and not a single branch of the wool trade was disorganised or afflicted with unemployment during the whole term of the committee's operations. This method had the further advantage that a producer of a high class of wool who had always sold through a particular firm, continued to send his clip to the same house, where it was handled by the experts who had been accustomed to look after the grower's interests

The committee's operations showed that no fewer than 848 types of wool were produced in Australia;¹⁷ and as enormous quantities of wool had been sold by hundreds of firms of brokers, merchants, and agency companies, and shipped by scores of shipping houses, it was inevitable that there should have been differences between the many documents used in transacting wool business, such as catalogues, invoices, weight-notes, &c. These differences did not matter while the wool trade was being conducted through many separate firms, each of which did its business in its own way, but it was a cause of confusion when these documents had to be dealt with by the staff of the Central Wool Committee. Efficient administration necessitated the standardisation of all documents used in connexion with the wool trade. The reform thus initiated may perhaps seem not to have been very important—a mere office matter, some might, rather heedlessly, say—but in fact it was extremely salutary. The committee's officers prepared model copies of every kind of document, sent them to the State committees, and gave instructions that the papers used for all transactions were to correspond exactly to these copies. This standardisation of documents was one of the unforeseen difficulties of bringing a great industry, continent-wide in its ramifications, and a century old in its traditions, under one governing body.

The method of arriving at the value of the various grades of wool was described by the Chairman of the Central Wool Committee in the 1918 report. Calculations were based upon a flat rate of 15½d. per pound, which was the estimated average of the whole clip. Before any wool was handed over to the British Government, it was appraised with the object of ascertaining the real value of each bale. The appraisal was carried out in a thoroughly systematic manner, by sworn appraisers.¹⁸ These represented both the Commonwealth Government—acting for the British Government—and the growers. The appraisers were paid salaries, and it was a condition of their employment by the Committee that they should

¹⁷ See plate at p. 563. These types are described in detail in Sir John Higgins's book, *The Stabilisation or the Equalisation or the Insurance of Wool Values*, pp. 124-204.

¹⁸ Tables of limits were prepared by the experts, merino wool having its fixed bases of limits, crossbred wool and English types having separate tables, and sheepskins being graded at a generally lower level according to the varieties of wools and breeds of sheep.

not receive commission or brokerage from any source. Generally, the appraisers who acted for the Government were selected from among the buying brokers; those representing the growers were usually chosen from the staffs of the selling houses. "The wool," as the Chairman explained, "is first received from the grower, catalogued, displayed, and made ready for appraisalment by the selling brokers. Appraisers then go through the catalogues and examine the wool. This is called the preliminary appraisalment. The results of the preliminary work, when special experts deal with the types of wool of which they have the best technical knowledge, the types, yields and valuations, are entered into special catalogues called final appraisalment catalogues, for the use of the final appraisers. Two final appraisers then go through the wool with the selling brokers' appraiser, the latter also representing the interests of the wool growers. These, after consultation, determine and fix the type, yield, and resultant price of each lot over the bale. This decision is final and without appeal."

Of the 7,127,090 bales handled by the Central Wool Committee, 4,326,137 bales were shipped direct to the United Kingdom, and 1,336,613 bales to other countries. The balance remained on hand or was sold in Australia. The shipments were regulated by the instructions of the Director-General of Raw Materials in London, whose requirements varied according to the demand.

The British Government sold in the open market all wool which was not required for military purposes, and under the agreement made between the two governments this profit was divided between the British Government and the Australian wool growers, 50 per cent to each. Each thus received £6,486,992. In addition, the Central Wool Committee made a profit of £1,667,469 during the years 1916-20 on its own administration, and from these combined profits an interim dividend of £7,333,700, or 5 per cent, on all wool appraised for the four seasons, was in October, 1920, distributed among the wool growers, and was of course additional to the price received by them for their wool at the appraised values.

The magnitude of these operations makes the work of the Central Wool Committee rank among the greatest commercial schemes of modern times. It gave to the Australian wool

industry, at a period when the trade of the world was disorganised by war, co-ordinated management; and that management proved itself to be masterly in its competence, its knowledge, its alertness, and its systematised energy. The Committee did not escape criticism, but one kind of criticism answers another. It was said by some that individual growers of high class wool might have obtained better prices than were derived through the Central Wool Committee. In a few instances, and in limited markets, this may have been the case, but it is not clear that it would have been so. On the other hand, the committee was charged with "profiteering" because it shared in the high profits realised through the sale by the British Government of surplus wool. The committee, however, acting as trustee for the growers, was bound to obtain such prices for the commodity it had to sell as could be realised in the open market. Both of these charges could hardly be justifiable; and in fact neither was. The advantage to Great Britain was that she had a certain, abundant, and regular supply of a raw material which was of the utmost importance to her as a belligerent nation; the advantage to Australia was that it secured for wool a sure market, good prices, sufficient freight, and regular payments. Indeed, Great Britain paid for all wool by the time it was shipped.¹⁹

The distribution of the Australian share in the British Government's profit was the cause of a dispute between those firms which sold wool on the sheep-skin—that is to say, the wool of sheep slaughtered for mutton—and the pastoralists who sold only the wool shorn from their sheep. For two years a share in the profit was paid in respect of the wool on sheep-skins; but the Central Wool Committee had grave doubts of the equity of this, on the ground that the sellers of the sheep-skins were not wool growers or wool producers but middlemen, who took none of the risks of rearing sheep, but bought the skins and sold the resultant wool. In 1918 it was accordingly resolved that skin wool should be paid for at the flat rate of 15½d. a pound, but should not participate in any

¹⁹ It is interesting to know that during the war Japan, which the British purchase of the Australian clip prevented from securing her wool supplies from Australia, turned to the South African supply, which was not similarly restricted. The Japanese made an effort themselves to produce tops, and their manufacture of woollen fabrics greatly increased during the war—*The Effect of the World War on Commerce and Industry of Japan* (Carnegie Endowment Series), pp. 25, 332.

profit subsequently made, and this decision was confirmed by the Acting Prime Minister, Mr. Watt. An immense amount was involved, and about a hundred fellmongers and others at once protested and eventually brought an action in the High Court of Australia, claiming in the aggregate £1,346,435. The High Court (December, 1922) gave judgment against them²⁰ on the ground that the Australian Government sold the wool as the result not of a contract to purchase from the suppliers or to sell as the suppliers' agent, nor yet by requisition or compulsory acquisition,²¹ but by a political arrangement creating no legal rights or duties, but forced on the Government by reason of the war and necessary for military purposes. Still less was there any contract between the suppliers and the British Government. The position was that the wool suppliers knew that the arrangement between the two governments would be carried out in good faith, and were content to act upon that assumption. The manner of distribution of profit therefore lay in the discretion of the body administering the scheme. On appeal this judgment was upheld by the Privy Council.

This book is not concerned with the operations of the British Australian Wool Realisation Association Limited ("Bawra") which was formed to dispose of the wool carried over after the expiration of the contract with the British Government in 1920. But, inasmuch as Bawra grew naturally out of the Central Wool Committee, it is necessary to refer to its formation. A wool conference was held in Melbourne in September, 1920, at which Sir John Higgins explained the situation and suggested the formation of a company, whose object should be to sell the carry-over wool in behalf of the Australian growers, and to act as agent for the British Government in the disposal of its stocks. Bawra was registered as a company on 27th January, 1921, sold its last bale of Australian wool in 1924, and finished its difficult work in 1932. By the desire of the British Government, the Association controlled not only the Australian wool carried over,

²⁰ *Commonwealth Law Reports*, Vol. 31, 1922-23.

²¹ The court held that, although the Commonwealth doubtless could have "commandeered" the wool, it preferred to act with the owners' consent, and merely ensured that any who did not hand over their wool should not be allowed to sell it elsewhere without the Central Wool Committee's sanction.

but also the New Zealand wool and a small quantity produced in the Falkland Islands, the total quantity being 2,611,277 bales of which 1,836,005 bales were Australian. Later, the British Government also handed over to the association 80,550 of South African wool to be sold under an agency agreement.

Sir John Higgins became chairman of the directors of Bawra as well as chairman of its Australian Board, and there was a British board as well. The work of Bawra makes a separate and extremely interesting story, not the least important part of which relates to the rejection of the proposal made for the continuance of an organisation for the marketing of Australian wool, chiefly, it is asserted, owing to the influence of the wool-selling brokers, who were naturally interested in the maintenance of their position in the wool trade.²² When Bawra was wound up, every bale of wool handled by it and by the Central Wool Committee was accounted for, but one bale too many appeared in the record. Enquiry revealed that one bale had been counted twice over: it was dropped in the sea during the process of loading a steamer; and the officer superintending the loading had entered it in his book when it was ready to be slung on board, and entered it again when it was hauled from the water. An accidental error of one in a total of millions was a trifle; for the Central Wool Committee and Bawra from 1916 to 1932, when the final distribution was made by the liquidators, paid out £242,370,597; the total expenses of the Imperial Government Wool Purchase Scheme for the sixteen years of its existence were £1,921,983. The profit made on the sales amounted to £33,659,011 for the British Government and £36,109,333 (over and above the price of 15½d. per lb.) for Australian growers.²³

²² See E. C. Dyason, "Bawra," in *The Economic Record*, Feb., 1928, p. 66, and Sir John Higgins, *The Stabilisation of Wool Values*, p. 114.

²³ The growers' profit (over 15½d.) averaged 3 69d. per lb. and that of the British Government 3.44d. In other words the growers thus received a total of 19.19d. per lb. for the wool and the British Government 22 63d.

CHAPTER XVII

THE WHEAT POOL

THE position in regard to wheat was different from that affecting wool in several important respects. Wool was a commodity produced in better qualities and larger quantities in Australia than anywhere else in the world, and a failure of supplies to Great Britain and the Allies would have been seriously embarrassing. But wheat was abundantly grown in Canada, the United States, and Russia, and it happened that, although Russia was practically cut off and the British Government therefore, as we have seen, asked that Australian wheat should be directed to British markets,¹ Great Britain was obviously not so dependent upon it as she afterwards found herself to be upon Australian wool. As the shortage of shipping began to be felt, the long, slow voyage became a serious impediment, and there was less anxiety in Great Britain to obtain Australian wheat than there was in Australia to supply it. As the Allies controlled the available shipping, the Australian wheat-grower was in a much weaker position than the wool-grower to command the price.

Indeed, the fact that in 1916-17 any price was paid for most of the Australian crop was due to the circumstance that for a few months—and only for a few months, although the situation might have occurred again later—Australian wheat resumed more than its peace-time importance. In the second half of 1916 the prospective failure of the North American wheat crop was overestimated, and the prospects of supplies from the Argentine were doubtful owing to drought and locusts. A partial breakdown of supplies appeared to be imminent at the very time when the Germans were dangerously developing their submarine weapon. Then it was that Australia became “the one bright spot,” as the Secretary to the British Ministry of Food² observed.

In Australia wheat production is, to a much greater extent than wool production, an industry upon which farmers of limited resources depend. It would not be true to generalise to

¹ See pp. 519-20, 521, and 530.

² F. H. Collier, sometime secretary to the Ministry of Food, and author of *A State Trading Adventure*.

the extent of saying that wool is exclusively grown by graziers with large estates and ample means, while wheat is grown by farmers on small holdings. There are thousands of wool growers of moderate resources, and there are wheat producers who command a very wide acreage. But nevertheless it is not unsound to say that, broadly speaking, wheat farming is an industry those engaged in which are not affluent; and consequently a sharp fall in prices or an interruption to trade might cripple or ruin them. Mr. John Lynch,³ the member for Werriwa in the House of Representatives, in a debate on the wheat industry, cited his own case as that of a man who started life on a 20-acre wheat patch; and he spoke from knowledge of many wheat farmers who "had worked as labourers in order to get a few pounds together to buy horses and agricultural machinery, and then struck out on their own."⁴ Such men were not able to endure prolonged adversity; and when news began to come over the cables of the destructive activity of the German U-boats, and the consequent shortage in marine tonnage, the wheat farmers of the Mallee and Riverina, the South Australian plains, and the arable belts of Western Australia, realised that they, as well as shipping in the North Sea, the Atlantic and the Mediterranean, were in a certain sense being torpedoed.

The destruction of tonnage was a menace to the Australian wheat farmer to a much more serious degree than to the wool-grower, for obvious reasons. Wheat is a product carried in vast quantities, it is perishable, and in comparison with wool it fetches a low price. A ton of wheat in 1918 was worth £9, whilst a ton of wool was worth £144. At a period when tonnage had to be carefully apportioned and freights were accordingly high, it was plain that, under conditions of unrestricted competition for shipping space, wheat would have fared badly in comparison with a commodity worth 16 times as much. To carry 500,000 tons of Australian wheat to Great Britain engaged 100 ships for six months, the voyage being more than three times as long as that from Canada.⁵ There was, then, a strong inducement to the British Government

³ J. Lynch, Esq. Member of C'wealth House of Reps, 1914/19 Farmer and grazier, of Thuddungra, N.S.W.; b. Young, N.S.W., 2 July, 1862.

⁴ *Parliamentary Debates*, LXXXIV, p. 3253.

⁵ Collier, *A State Trading Adventure*, p. 9

to ship as much wheat as possible from America and no more than was necessary from Australia. Such a policy would have meant wholesale ruin to Australian farmers, and it was with the object of averting this that the Australian freight and wheat pools were formed. How these events were related to the eventual purchase of Australian wheat by the British Government has been told in *Chapter XIV*; but the narrative must return to those events and explain the constitution of the wheat pool before describing its internal dealings.

The "one bright spot" shone with welcome brilliance in 1916, because, most opportunely, the Australian harvest of 1915-16 was the most prolific on record. While in the previous year, owing to a severe drought, the yield fell to 24,892,402 bushels, the lowest since 1902-3, in 1915-16 seasonable conditions were so favourable that 179,065,703 bushels of wheat were bagged. Here, then, was a situation calling for energetic and skilful management: an abundance of grain awaiting shipment, the allied nations requiring food stuffs, but a shortage of tonnage to take the wheat away. It seemed that the ordinary commercial methods of handling were inadequate, and that special machinery must be devised whereby an authority backed by the power of the Government might deal directly with the authorities commanding tonnage and food supplies in Great Britain.

Action was taken in August, 1915, when the gravity of the situation then developing became apparent. Four State Ministers of Agriculture—Mr. Grahame,⁶ New South Wales; Mr. Hutchinson,⁷ Victoria; Mr. Goode,⁸ South Australia; and Mr. Johnson,⁹ Western Australia—and many others concerned, including Mr. Hagelthorn, the Victorian Minister for Public Works,¹⁰ met the Attorney-General in Melbourne, with the idea of inducing the Commonwealth Government to make

⁶ W. C. Grahame, Esq. M.L.A., N.S. Wales, 1907/20; Minister for Agriculture, 1915/20.

⁷ Hon. W. Hutchinson. M.L.A., Vic., 1902/20; Minister of Agriculture, 1913/15, of Public Instruction, 1918/20. Jeweller; of Warracknabeal, Vic.; b. Stawell, Vic., 30 May, 1864. Died 18 Dec., 1924.

⁸ C. Goode, Esq. M.H.A., S. Aust., 1905/18; Minister for Agriculture, 1915/17 Of Cleveland, Q'land; b. Canowie Station, S. Aust., 17 Aug., 1875.

⁹ Hon. W. D. Johnson. M.L.A., W. Aust., 1901/17, and since 1924. Minister for Works, 1904/6, 1911/14, for Lands and Agriculture, 1914/17. Farmer; of Guildford, W. Aust.; b. Wanganui, N.Z., 9 Oct., 1872.

¹⁰ Mr. Hagelthorn became Minister of Agriculture on Nov. 9.

itself responsible for chartering vessels. But it was soon realised that the situation could not be met by the mere establishment of a chartering organisation

Merchants were not prepared to operate on the usual scale, as they saw that shipping facilities would be insufficient to permit them to do so. Farmers could not hold their wheat. A large proportion had been impoverished by the previous year's drought, and had been dependent on the State Governments for the means to enable them to put in their crop. An early realisation was a matter of necessity. After their struggle, because Nature had withheld sufficient moisture, they were threatened with disaster because Nature's compensation had been so generously and so generally extended.¹¹

It became apparent, therefore, when difficulties were examined in detail, that to secure for the farmer the full value of his crop it would be necessary to control marketing as well as freights. This was the conclusion which emerged from several conferences held between Ministers, representatives of growers, and shippers. The result was that on the 5th of November, 1915, the general outlines of a scheme were agreed upon, and were announced by the Prime Minister and Senator Pearce in the House of Representatives and the Senate respectively on November 10th.¹²

The official statement set forth that there was a growing fear that much of the wheat crop could not be marketed, and that in consequence the benefits of the bounteous harvest would be lost. "The presage of this disaster, coming on the heels of last year's drought, which brought ruin to some and plunged thousands into debt, filled the minds of the farmers with gloomy forebodings." This year there was more wheat than Australia had ever harvested before. "There is no difficulty in finding buyers. The world is clamouring for wheat. The difficulty is to carry the wheat to those who want it." It was pointed out that "25 per cent. of the world's tonnage is either locked up in enemy ports or at the bottom of the sea. Another 20 per cent. has been requisitioned by the Admiralty for transport and war purposes." It was therefore considered desirable to evolve a wheat pooling scheme, with the object of affording all growers an opportunity of participating equitably in the returns.

¹¹ *The Australian Wheat Pooling Scheme: a Brief Review*; issued by the Australian Wheat Board, 1918. (This authoritative pamphlet, published anonymously, was written by the Manager of the Australian Wheat Board, Mr. H. A. Pitt.)

¹² *Parliamentary Debates*, LXXIX, pp. 7309 and 7375.

The Commonwealth and State Governments undertook financial responsibility for the plan,¹³ and this proved a heavier responsibility than was at first estimated. The estimate was that between £7,000,000 and £8,000,000 would be sufficient; in fact, £15,000,000 was required. The Government guaranteed the pool's overdrafts, but the whole of the money was found by the Australian banks at 5 per cent. interest—a rate lower than that at which the Commonwealth and State Governments were able to borrow in London at the time. The banks, indeed, served the wheat-growers generously in financing the pool's operations, so that, as was officially pointed out, money was arranged for "at a cheaper rate to finance wheat-growers than to carry on the war."¹⁴ The financial position was made easier through an arrangement which Mr. Hughes was able to negotiate during his first visit to London, whereby £11,000,000 was made available for reducing the overdraft with the banks, repayment being made from the proceeds which became due on arrival of cargoes in Europe.

The Wheat Board consisted of the Prime Minister, who was chairman until he left Australia to attend the Imperial War Conference, when his place was taken by Senator E. J. Russell, who acted as his deputy; the Ministers of Agriculture of the four States mentioned above; with an advisory Board consisting of Mr. G. T. Bell,¹⁵ representing Messrs. Jas. Bell and Co.; Mr. H. G. Darling,¹⁶ representing Messrs. John Darling and Son; Mr. G. C. Boehme¹⁷ representing Messrs. Dalgety and Co.; and, for a time, Mr. M. J. Lasry¹⁸ representing Messrs. Louis Dreyfus and Co. The four wheat-handling firms were represented not only because of the technical knowledge of the trade which they were able to place at the disposal of the board, but also because their London houses acted as selling agencies. Without this

¹³ Advances were made by the banks, which the States undertook to repay, and the Commonwealth guaranteed the repayment by the States.

¹⁴ *The Australian Wheat Pooling Scheme*, p. 6.

¹⁵ G. T. Bell, Esq. Merchant; of Caulfield and Melbourne; b. Dunolly, Vic., 23 Feb., 1871. Died 11 June, 1931.

¹⁶ H. G. Darling, Esq. Chairman of Directors, Broken Hill Pty. Co. Ltd., since 1922. Grain merchant, of Melbourne; b. Adelaide, 9 June, 1885.

¹⁷ G. C. Boehme, Esq. Grain export manager; of Killara, N.S.W.; b. Melbourne, 14 Oct., 1866.

¹⁸ M. J. Lasry, Esq. General Manager, for Australia, of Louis Dreyfus & Co., 1915/31. B. Tangier, Morocco (British-born subject), 4 Aug., 1887.

assistance the board would have been compelled to organise its own machinery. Mr. Pitt¹⁹ of the Victorian Treasury was manager of the board's operations throughout, and its commercial activities were mainly discharged by him in daily meetings with the advisory board. Later, representatives of wheat-growers were added to the board. In the first place, Mr. Clement Giles²⁰ represented the growers of all the States, but afterwards representation was given to each State, as follows: New South Wales, Mr. Drummond;²¹ Victoria, Mr. Hill;²² South Australia, Mr. Giles; Western Australia, Mr. McGibbon.²³ These, together with the five Ministers, ultimately constituted the Australian Wheat Board. The managers in the States were Mr. Harris²⁴ (and later Mr. Drummond), New South Wales; Mr. Baker,²⁵ Victoria; Mr. Nicholls,²⁶ South Australia; Mr. Sibbald,²⁷ (and later Mr. Keys),²⁸ Western Australia.

The functions of the Australian Wheat Board and of the State boards were allotted as follow:²⁹ The Australian Wheat Board made itself responsible for settling questions of general policy, fixed the amounts to be advanced to growers, made the financial arrangements, made all oversea sales of wheat, fixed prices at which wheat was sold to millers, both for local

¹⁹ H. A. Pitt Esq., C.M.G. Manager, Aust. Wheat Board, 1916/21; Director of Finance, Victoria, 1923/37. Of Melbourne; b. Colac, Vic., 2 Jan., 1872.

²⁰ C. Giles, Esq. M.H.A., S. Aust., 1887/1902. Farmer; of Melrose, S. Aust., b. Adelaide, 21 Feb., 1844. Died 19 July, 1926.

²¹ R. S. Drummond, Esq. Manager, N. S. Wales State Wheat Office, 1917/19, A director of C'wealth Bank, since 1924. Farmer and grazier; of Lockhart, N.S.W.; b. Wood's Point, Vic., 21 March, 1868.

²² Hon. W. C. Hill. Growers' Representative for Vic., on Aust. Wheat Board, 1915/21; Chairman, Vic. Wheat Corporation, 1921/22. Member of C'wealth House of Reps., 1919/34; Minister for Works and Railways, 1924/28. Pastoralist and wheat farmer; of Colbinabbin, Vic.; b. Burnt Creek (now Bromley), Vic., 14 Apr. 1866. Died 15 Nov., 1939.

²³ S. J. McGibbon, Esq. Growers' Representative for W. Aust., on Aust. Wheat Board, 1915/20. Chartered accountant; of Perth, W. Aust.; b. Vic., 10 Aug., 1875.

²⁴ E. Harris, Esq. Manager, N. S. Wales State Wheat Office, 1915/17; Wheat Commissioner and Manager of Govt Grain Elevators, N.S.W., 1920/32. Of Sydney, b. Newcastle-on-Tyne, Eng., 2 Jan., 1869.

²⁵ H. J. Baker, Esq. Manager, Vic. Wheat Commission, 1915/24; subsequently Chairman, Vic. Wheat-Growers' Corporation, Ltd. Of Box Hill, Vic.; b. Trentham Vic., 21 April, 1871.

²⁶ G. G. Nicholls, Esq. Manager, S. Aust. Wheat Scheme, 1915/20. Of Adelaide and Sydney, b. Dedham, Essex, Eng., 6 Jan., 1884.

²⁷ J. Sibbald, Esq. Manager, State Wheat Marketing Scheme, W. Aust. 1915/17. Flour miller; of Perth and Northam, W. Aust., b. Blantyre, Scotland 30 June, 1850. Died 30 June, 1929.

²⁸ F. C. Keys, Esq. Manager, Louis Dreyfus and Co., Adelaide, 1911/15, Perth 1915/17; Manager, State Wheat Marketing Scheme, W. Aust., 1917/22. B. Williamstown, Vic., 11 Oct., 1886. Died 5 Jan., 1928.

²⁹ *The Australian Wheat Pooling Scheme*, p. 12

consumption and export, chartered freight and apportioned shipping among the States, and arranged terms of conversion of wheat purchases into flour purchases. The State boards were responsible for handling and caring for the wheat, provided dépôts, materials, storages and treatment plants, made payments to growers, and paid all expenses incidental to handling such as railway freight, made sales within the States to the trade and millers, made all shipping arrangements, adjusted liens and legal encumbrances on crops, and arranged contracts with millers for the purchase of flour. Generally, the Wheat Board was in charge of all matters of common interest, and the State boards were concerned with matters of a local nature, in regard to which circumstances varied and called for different methods of procedure.

The events leading up to the sale of 1916-17 wheat to the British Government, and to the subsequent sale in 1919, by which most of the surplus was disposed of, have already been described.³⁰ The main agreement, which was announced in late December, 1916, although the contract was not signed until February, 1917, provided for the sale of 112,000,000 bushels (3,000,000 tons) at 4s. 9d. a bushel f.o.b. The purchaser undertook to provide the necessary shipping. The unsold balance of the "old" crop, together with a substantial part of the fresh crop then available, were thus disposed of, and the price was extremely advantageous. In Australia, some weeks before the negotiations were completed, rumours had circulated that something of the kind was "in the wind," and aroused lively expectations. On the announcement by Mr. Hughes, it was agreed that he had managed the business with admirable skill and promptitude.

II

Inasmuch as the Wheat Pool in 1916 handled 162,184,593 bushels, and there was a shortage of shipping to convey the wheat to Europe, enormous stacks of grain were formed in the wheat-growing areas and near to the ports. How great the accumulation was is illustrated by the fact that at Brooklyn, Victoria, the stacks contained 13,000,000 bags in two yards, a quantity whose transport overseas would have required 200

³⁰ *Chap XIV, section v*

ships. The vast quantity of food available stimulated the breeding of mice, which put forth most un-Malthusian efforts to exploit the situation. The earliest official intimation that a mouse-plague was imminent was conveyed by the Victorian Minister of Agriculture, Mr. Hagelthorn, in a statement published on 22nd August, 1916. "Some of the wheat stacks, particularly in the Wimmera,"³¹ said the minister, "were being attacked by mice, and unless prompt action was taken to have the stacks shifted considerable damage would result. Arrangements were being made with a view of quickly moving all the stacks affected."³²

Mice are gifted with a fecundity fully equal to that of any of the pests which figured among the plagues of Egypt. The female *Mus musculus* is capable of producing a family of four to eight within 21 days, and in favourable circumstances can repeat the maternal operation every six weeks.³³ The conditions in the wheat areas of Australia in 1916-17 were exciting for mice, which appeared literally in millions. The plague was at its height in May and June, 1917. On June 1st an officer of the Victorian Vermin Destruction Department reported that 13 tons of mice had been destroyed in three days at eight railway stations where grain had been stacked. He supplied details of 912,000 dead mice at the following stations: 168,000 at Lascelles, 104,000 at Woomelang, 94,000 at Birchip, 102,000 at Morton Plains, 86,000 at Donald, 92,000 at Nandaly, 136,000 at Berriwillock, and 130,000 at Nullawil. Photographs showed hillocks of dead mice in South Australia and Victoria. Means of protecting the stacks were rapidly devised. It was found efficacious to surround them with sheets of galvanised iron, bent outward nearly at right angles about 6 inches from the top edges; the sheets being bedded in trenches round the stacks. Deprived of their wheat sustenance, the mice attacked everything eatable in the neighbourhoods where they were plentiful. A correspondent at Cocamba gave a graphic description of them scampering over the beds, tearing the mattresses and eating the kapok, gnawing corks level with the tops of the bottles, cleaning out packets

³¹ Mice were not a difficulty at Brooklyn; indeed, the country mice died when the wheat was removed thither.

³² *The Argus*, 22 Aug., 1916.

³³ Junk's *Tabulae Biologicae*, Vol. VI, p. 734.

of maizena in stores, chewing boots, tablecloths, paper, and clothing. "If we kill one, a hundred come to its funeral. We pick up from 1,000 to 2,000 every day. We have got tired of counting them, so we measure them by the bucket—about 500 to the bucket."³⁴

A doubt was suggested whether these voracious millions belonged to the familiar domestic species, or were harvest mice, *Mus messorius*. Mr. Dudley Le Soeuf,³⁵ the curator of the Melbourne Zoological Gardens, settled that question by identifying them as "ordinary house mice." Their extraordinary multiplication in a very short time when accessible food supplies were suddenly made available, and their appearance in such immense numbers in every part of Australia where stacks of bagged grain awaited transit to the seaboard, was an interesting biological phenomenon which, strangely enough, the biologists neglected.

Scarcely had the mice plague been defeated than the wheat stacks were attacked by another enemy, weevils. In 1917 "the weevil plague" began to attract attention. In 1918 it became serious enough to induce the British Wheat Commission, which by then had bought the whole Australian surplus for 1916-17, to send from India an eminent entomologist, Professor Maxwell-Lefroy,³⁶ to advise the State Wheat officers how to carry out "a campaign of magnitude"³⁷ against the destructive little foe.

But, while the mice were a homogeneous pest, the weevils were of several kinds, and had various evil associates. The worst was the rice weevil—*Calandra oryzae*, a most voracious and destructive insect, which swarmed in "countless millions." It was assisted by the grain weevil, *Calandra granaria*, and the grain-boring beetle, *Rhizopertha dominica*; while minor parts were played by the meal moth, *Pyralis farinalis*; the grey moth, *Endrosis lacteella*; the cheese mite, *Tyroglyphus siro*, and the thin cheese mite, *Tyroglyphus longior*. Mr. Winterbottom³⁸ counted 21 varieties of destructive beetles and

³⁴ *The Argus*, 5 May, 1917.

³⁵ W. H. D. Le Soeuf, Esq., Director, Zoological Gardens, Melbourne, 1902/23. Of Parkville, Vic.; Elwood, Vic., 28 Sept., 1856. Died 6 Sept., 1923.

³⁶ H. Maxwell-Lefroy, Esq., Professor of Entomology, Imperial College of Science and Technology, London, 1912/25. B. 20 Jan., 1877. Died 14 Oct., 1925.

³⁷ The phrase is that of Mr. D. C. Winterbottom, in his valuable pamphlet, *Weevil in Wheat and Storage of Grain in Bags*, Adelaide, 1922.

³⁸ D. C. Winterbottom, Esq., Analytical chemist, metallurgist, and mining engineer, of Mildura, Vic. and Adelaide, b. London, 4 Oct., 1879.

2 of moths among the grain stacks of South Australia, in addition to the weevils, and there is no doubt that the same enemies of the wheat farmer were equally busy in New South Wales, Victoria, and Western Australia.

Scientific investigation taught valuable lessons to those engaged in the grain trade concerning the life-history of weevils, which they had always misunderstood. Mr. Winterbottom found that men who had been engaged in buying and shipping grain all their lives were wedded to the belief that every grain of wheat carried within itself a weevil germ, which in due time was spontaneously generated; and they "would not listen to the life history of the weevil, which bred in the ground where wheat had been stacked." By tackling the problem on scientific lines, tracing the life of the weevil from the egg to the insect, and showing how and where it was bred, it was demonstrated that this pest could easily be checked, and its ravages prevented. "The greatest factor in fighting weevil is cleanliness," wrote Mr. Winterbottom; cleanliness involving an efficient sterilising of the soil wherever wheat had been stacked, on farms or at railway stations. The pest was thus attacked *ab initio*, by not being permitted to breed.

In regard to wheat which had already been partly deteriorated by weevils, experiments demonstrated that the insect was destroyed by heat. Sterility was produced by subjecting the grain to a temperature of 140 degrees Fahrenheit. Wheat-heating and sterilising machines were therefore erected in the grain-producing areas, and were effective in saving millions of bushels of wheat, which, after treatment, was as good for milling as that which the weevils had not touched.

Photographs of both the mouse and the weevil plague show how devastating were the attacks in both cases, and there is a curious resemblance between the two sets of pictures. The mice would gnaw through the bags, stacked in a great rampart. As they ate first into the bags nearest the ground, the weight of the stack would cause a sag. The grain would pour out of the holes, like water through a breach in a dam; and the whole stack would collapse, with the wheat strewn like sand on the seashore and the dilapidated empty bags piled in ragged

heaps awaiting burning. In South Australia, where permanent sheds were used, these sheds collapsed and added to the wreckage. Heavy rain then fell on the exposed grain, greatly increasing the damage.

It was found that the weevils first attacked the outside bags, both sides and tops. The measures devised by the scientific advisers who applied themselves to these problems were valuable, not only for the remedies, but also for the preventive methods suggested.

III

The Wheat Pool worked on a different system from that devised for the control of wool. While the Central Wool Committee's operations were protected by a stringent War Precautions regulation, those ordinances of the Federal Government furnished no authority for the operations of the Wheat Pool. Instead, Acts were passed by the Parliaments of New South Wales, Victoria, South Australia, and Western Australia, conferring powers upon the respective Ministers of Agriculture which enabled them to constitute the State Wheat Boards. But there was no Commonwealth Act conferring powers upon the Australian Wheat Board. The Commonwealth Government was prepared to submit to Parliament proposed legislation to enable the board to function under legal authority, but it was considered expedient to hold this power in reserve in case the State legislation should prove inadequate. Such inadequacy was not, however, shown, and therefore it was not deemed necessary to pass a Federal Act. The State Acts followed in most respects the model of the one first passed—the Victorian Act (No. 2812, 30th December, 1915); but they did not follow it in all points, and there was, therefore, not the same uniformity and authority in handling wheat as was the case with wool. Indeed, some doubt was expressed whether the Wheat Board's operations were ever legal. Fortunately, the point was not challenged.³⁹

The reason for this difference was that there was not so near an approach to unanimity among the wheat-growers as among the graziers concerning the desirability of selling their

³⁹ It is fair also to say that the Board was very carefully guided by its legal advisers.

commodity through an agency established by the Governments of the Commonwealth and the States. It was observed that: "The Wheat Scheme was entered upon with some hesitancy. The farmer had been so long used to the unfettered control of his own business that it was felt that Government intervention would be resented. And so it was in very many quarters."⁴⁰ Graziers also had been accustomed to the "unfettered control" of their own business, but they as a class were quicker to perceive the advantages of unified control. Moreover, in years of severe drought, notably after that of 1914-15, governments had made large distributions of seed-wheat to enable farmers to put in the next year's crop, and no hesitancy to receive the seed is recorded. Nevertheless, the fact that there was a certain suspicion about the advantages of a pool was one which could not be ignored. The farmers themselves were probably unaffected by any doubts as to the possibility of constitutional difficulties arising from Federal legislation. The Commonwealth had power to prohibit the exportation of wheat or flour, just as it had power to prohibit the exportation of any other "prescribed goods"; and a War Precautions regulation was issued for that purpose. In practice the Department of Trade and Customs kept in touch with the officers of the Wheat Pool, and would not issue a certificate permitting the exportation of wheat or flour except on the assurance that the purposes of the pool were not being thwarted thereby. Where the State administration was sound, the system worked without serious hitch. Two States, Tasmania and Queensland, did not pass Acts bringing their wheat-growers within the scope of the Wheat Board's authority, although in a season of abnormal production both of them used the board's agency for disposing of their surplus.

As has already been stated, the Victorian Wheat Marketing Act 1915 was the first piece of legislation dealing with the subject. Its preamble explained the purpose in these terms:

Whereas owing to the great scarcity of the means of transportation as a result of the existence of a state of war the satisfactory marketing of the Australian wheat harvest of the season 1915-1916 is endangered: And whereas the Prime Minister of the Commonwealth of Australia

⁴⁰ *The Australian Wheat Pooling Scheme*, p. 3.

and certain Ministers of the Crown of the States of New South Wales, Victoria, South Australia, and Western Australia have in a conference held for the purpose outlined a proposed scheme for concerted action by the Governments of the Commonwealth and the said States for utilizing on a fair basis the means of transportation available and for the marketing of the said harvest on behalf of the growers thereof at prices based on those obtainable on the London wheat market with certain deductions: And whereas it is expedient to empower the Government of Victoria to join with the said Governments in settling the terms of the said proposed scheme, or any modification thereof agreed to by the said Governments, or in formulating any other scheme for concerted action for the purposes aforesaid, or any modification of any such other scheme, and to do all such acts, matters and things as on the part of the said Government are necessary or expedient for the due carrying out of the said proposed scheme or of any such modification thereof, or of such other scheme or any such modification thereof: Be it therefore enacted, &c.

The Act proceeded to empower the Minister of Agriculture to buy or sell, or arrange for the buying and selling, of wheat, and to employ officers; it gave power to the Treasurer to arrange with the Government of the Commonwealth to refund any shortage for which the Government of Victoria might become liable in respect of its wheat operations; and it provided that no person in Victoria should sell wheat to, or buy wheat from, any other person than the Minister, or persons authorised by him, under a penalty not exceeding £500.

In all the States in which the Wheat Pool operated the Acts of the Parliaments were amended in later years, and they were also extended beyond the war years, "owing to the continuance of the great scarcity of the means of transportation which resulted from the existence of a state of war," as the South Australian Wheat Marketing and Transportation Act 1920 expressed it, following the language used in similar Acts in the other three States concerned. The Australian Wheat Pooling Scheme was continued till the 1920-21 crop was marketed.⁴¹ When it was about to cease operations, growers endeavoured to induce Parliaments of the States to establish State-controlled pools, but this movement failed. Thereupon voluntary pools on a co-operative basis were formed—the Wheat Growers' Pooling and Marketing Company in New South Wales, the Victorian Wheat-Growers' Corporation, the Co-operative Wheat Pool of South Australia, and the Co-operative Wheat Pool of Western Australia. Queensland,

⁴¹ In the case of Western Australia the pool dealt with the 1921-22 crop also.



46 WHEAT STACKED AT A COUNTRY RAILWAY STATION

Lent by Dept. of Agriculture N. S. Wales



47 A SIMILAR STACK, SHOWING RESULTS OF THE MICE PLAGUE OF 1917

Lent by Dept. of Agriculture N. S. Wales

To face p. 594



48. A SITTING OF THE INTER-STATE COMMISSION, AT MELBOURNE, JANUARY 1914
Left to right: Mr. G. Swinburne, Mr. A. B. Piddington (chairman), Mr. N. Lockyer,
Mr. J. Brown (secretary). The witness is Mr. T. Y. Harkness

Photo by "The Australasian" Melbourne

which had not been a participant in the Wheat Pool while the Commonwealth guaranteed its finances, became an advocate of State-controlled pools late in the day, and the Parliament of that State now adopted the plan of compulsory marketing through a State Wheat Board.⁴²

IV

The total quantity of wheat handled by the Australian Wheat Board from 1915-16 to 1920-21 was 636,298,507 bushels. The following tables show: (A) the quantities of wheat handled by each State Pool connected with the Wheat Board, and (B) the prices paid per bushel, including rail freights, to the producers during the same period.

TABLE A
Quantity of wheat handled (in bushels).

Season.	Victoria.	New South Wales.	South Australia.	Western Australia.	Total.
1915-16	59,176,000	58,186,000	29,894,000	14,929,000	162,185,000
1916-17	50,407,000	32,042,000	41,920,000	13,822,000	138,191,000
1917-18	36,232,000	33,714,000	25,867,000	7,529,000	103,342,000
1918-19	23,027,000	13,892,000	20,468,000	7,624,000	65,011,000
1919-20	12,349,000	453,000 ⁴³	12,694,000	9,707,000	35,203,000
1920-21	38,953,000	51,096,000	31,843,000	10,475,000	132,367,000
Total	220,144,000	189,383,000	162,686,000	64,086,000	636,299,000

TABLE B
Amounts paid by each State Pool (per bushel).

Season.	Victoria.	New South Wales.	South Australia.	Western Australia.
1915-16	4/10·64	4/10	4/7·5	4/7·819
1916-17	4/4·6515	3/3 ⁴⁴	3/3 ⁴⁴	4/1·5
1917-18	5/2·9662	4/9·0845	4/9	4/9
1918-19	5/6·6135	5/1·096	5/4	5/5
1919-20	8/1·8865	8/4·225	9/1	9/4
1920-21	7/8·8131	7/6	7/4	7/3
Average for six years	5/6·22	5/3·58	5/3·09	5/9·29

⁴² See G. L. Wood, "Wheat Pools," in *The Economic Record*, February, 1928, p. 18.

⁴³ All the wheat produced was not pooled, and this year's harvest was especially poor in New South Wales.

⁴⁴ Owing to the weather conditions the grade of the 1916-17 crops in N.S.W. and S. Aust. was low.

It would have been too much to expect that operations conducted on so vast a scale, and affecting the interests of so many thousands of wheat-growers, would escape criticism. Much of this was ill-informed and based upon misleading rumours. The most unjust allegation, and also the most absurd, was that the British Government had played the rôle of "extortionate profiteer" towards the Australian wheat farmer. The excellent prices recorded in table *B* show at a glance that that charge was totally without foundation. In fact, after the critical year 1916, Great Britain would have been better off without Australian wheat, because the high cost of freight increased the cost of it enormously in excess of the cost of American wheat. "Canadian and American wheat costing 10s. a bushel f.o.b. is of much greater value to the Allies than wheat in Australia costing 4s. 9d. f.o.b. As the Prime Minister has pointed out, the Canadian and American wheat would be of much greater value than ours even if it cost 20s. per bushel. Freight governs the whole position."⁴⁵ As the British Government paid for wheat before it was shipped, the farmer received the money due to him promptly, without regard to the shortage of shipping to convey supplies to Europe. In 1918, no less than 2,000,000 tons of wheat, which had been paid for in the previous year, were still in the wheat stacks in Australia awaiting shipment, and whatever loss was incurred through the ravages of mice and weevils after the 1st of January, 1918, fell not upon the grower, who had his money, but upon the British Government which had paid it. A House of Commons Select Committee on National Expenditure condemned the British Wheat Commission because of its "purchase of a vast quantity of Australian wheat for which means of export have not been available," and from the point of view of the British taxpayer the condemnation was not unreasonable. The commission, however, acted on the best information available at the time which foreshadowed a dangerous shortage; if American supplies failed and Australian supplies were not available, the Allies would have been brought to the perilous brink of starvation. The British Wheat Commission, therefore, was justified though the most important actual result of the step

⁴⁵ *The Australian Wheat Pooling Scheme*, p. 11.

was to keep the Australian wheat-farmer on his feet. In Australia many of the more voluble critics appear to have had hardly a vague perception of the seriousness of the freight problem. It was even said that the Australian Wheat Board had "turned down" an offer of 1,000,000 tons of freight, whereas in fact the Board was constantly negotiating for shipping, and never lost an opportunity of securing freight at reasonable rates.

Rumours were also circulated that the Wheat Board had failed to take advantage of fabulous offers for Australian grain by various foreign countries. One of these alleged that a firm of food packers in the United States had offered to buy at 12s. 6d. a bushel. No such offer was made, and in fact American wheat was selling at that time at less than 5s. Another story to which currency was given was that Peru had bought 1,000,000 tons of Australian wheat at 5s. 9d. a bushel, and that the Wheat Board had withheld information about the sale because the British price at the time was lower. In fact, no such sale was made; what appears to have happened is that, some time after the sale to Great Britain of 3,000,000 tons, a smaller parcel of South American wheat was sold to Peru at a higher price, the increase in price being possibly due to the removal of the much larger quantity of Australian wheat from the market.

The Prime Minister conferred a substantial benefit upon the wheat farmers when, in December, 1916, he negotiated with the British Government this great sale of 3,000,000 tons, a transaction which is said to have been the biggest in the history of the wheat trade.⁴⁶

V

In two States, South Australia and New South Wales, serious allegations concerning the political administration of the wheat boards forced the governments to appoint royal commissions to make investigations.⁴⁷ In South Australia

⁴⁶ See Mr. Hughes's announcement in the House of Representatives, *Commonwealth Parliamentary Debates*, LXXX, p. 9709

⁴⁷ It will be noted from Table B (at p. 595) that the growers' receipts in these two States were lower than those in the others, particularly in 1916-17.

the source of the trouble was a species of "incompatibility of temper" between the Treasurer of the State, Sir Richard Butler, and the manager of the Wheat Board, Mr. G. G. Nicholls. A parliamentary committee and three royal commissions enquired into the various activities under the scheme and the many dissatisfactions which occurred. The voluminous reports of the commissions, together with their verbatim "minutes of evidence," fill seven large parliamentary papers.⁴⁸

The principal allegations affecting the friction which arose between the Minister and the manager are dealt with in the second progress report of the Royal Commission on the Wheat Scheme and Rural Industries. It was stated that Sir Richard Butler had interfered with the conduct of negotiations with shipping agents for the handling of the 1917-18 harvest, with the consequence that the board was compelled to enter into agreements which ultimately cost £22,000 more than would have been the case under an agreement which the manager had almost completed; that he had refused, or failed to authorise, the preparation of wheat dépôts, as recommended by the manager, and that in consequence millions of bags of wheat were left unprotected and suffered damage; that in view of the elections in 1918, the Minister had threatened to dismiss inspectors employed by the board, and to appoint several of his supporters in his electoral district; that the Minister attempted to make the secretary disloyal to the manager: and that the Minister used the Wheat Board's motor car and the board's secretary to further his interests in the election, and instructed the secretary to send him the account for the petrol used, and charge it up as "hire of motor car." A number of charges of lesser significance have little importance when viewed in historical perspective, but those mentioned affected the efficiency of the board and the principle that trading operations should be free from political interference.

This progress report, which was signed by Mr. William Angus,⁴⁹ as chairman, concluded that both the Minister and

⁴⁸ See *South Australian Parliamentary Papers*: 1918, Vol. II, Nos. 27, 33, and 34; 1919, Vol. III, No. 28; 1920, Vol. II, No. 27; 1921, Vol. II, Nos. 25 and 26.

⁴⁹ W. Angus, Esq. Farmer; of Medindie, S. Aust; b. Aberdeen, Scotland. 3 June, 1871.

the manager tried to get the best shipping terms in the interests of the wheat scheme, but that if the Minister had accepted the tentative agreement, negotiated by the manager, a saving of £25,000 in the handling of the 1917-18 harvest would have been effected. Sir Richard Butler, the commission considered," must take a large measure of the responsibility" for the delay which occurred in erecting sheds for the protection of wheat. The allegation that appointments were recommended by the Minister for political reasons, in the commission's judgment, had not "been proved." As to the charge concerning the use of the board's motor car, and the payment for petrol consumed, "in the conflict of evidence the commission cannot decide whether Sir Richard Butler did or did not give instructions as to how the account was to be made out." Concerning allegations that the interests of the State Wheat Board were sometimes subordinated to the political interests and personal influence of the Minister, the commission was of opinion that the instances given "are comparatively unimportant." The chief cause of the difficulties which had beset the wheat scheme during the régime of Sir Richard Butler was held to be "lack of sympathy, which ultimately developed into veiled hostility, between the Minister and the manager." But the commission believed that Sir Richard Butler and Mr. Nicholls alike were animated by a desire to make the wheat scheme successful; though "the indiscreet acts of the Minister were largely responsible for the hostility between himself and the manager, and that the strained relations between the Minister and the manager have been detrimental to the satisfactory working of the wheat scheme."

The report of the second Royal Commission on the Acquisition and Disposal of Wheat was signed by Judge Webb,⁵⁰ Deputy President of the Industrial Court, who conducted the whole of the investigations with which the document was concerned. They related mainly to the administration of the manager, Mr. Nicholls. The Commissioner

⁵⁰ N. A. Webb, Esq. Deputy President Industrial and Arbitration Court, S. Aust., 1916/22; Deputy President, Federal Arbitration Court, 1922/26. Barrister; of Adelaide; b. Maitland, N.S.W., 13 Dec., 1865. Died 16 Oct., 1937.

complained that his work had been conducted under great difficulties, because on several occasions the State Wheat Board showed open hostility to the enquiry. "I have had the greatest difficulty," wrote the Judge, "in getting any information from employees of the wheat scheme. Nearly every employee of the scheme who has given evidence of any importance has been discharged from his employment." Nevertheless, after an exhaustive and patient investigation into all the allegations made, Judge Webb found that there was no evidence which implicated Mr. Nicholls in any dishonourable acts in connection with the wheat scheme; "any attempts made to give the colour of fraud to transactions in which he was immediately concerned have invariably failed"; and, finally, there was "nothing which in any way reflects on Mr. Nicholl's honour disclosed in the enquiry."

The Premier, Mr. Peake, the Attorney-General, Mr. Barwell,⁵¹ and the other members of the Cabinet, as soon as the progress report of the second royal commission was handed to them, in April, 1919, formed the opinion that it was not desirable that Sir Richard Butler should continue to remain in the Ministry. Sir Richard did not accept the suggestion that he should resign; Mr. Peake thereupon wrote a letter to him, in which, while expressing belief in his "integrity, honesty and zeal," he deprived him of his offices. In an explanation made to Parliament, Mr. Peake confessed that "it was no easy matter to turn down Sir Richard, but we had a duty to the country. We had to recognise that the findings of the commission, true or false, were very serious, and put him in a very serious position. I do not think Sir Richard ever quite understood the seriousness of the position we were placed in, in having to decide as to whether, seeing he would not resign, it was our duty to remove him."⁵² Sir Richard Butler, in a long speech, described himself as having been "ignominiously dismissed."⁵³ He had been a member of the South Australian Parliament for 29 years when his

⁵¹ Hon. Sir Henry Barwell, K.C.M.G. M.H.A., S. Aust., 1915/25; Premier, 1920/24; member of C'wealth Senate, 1925/28, Agent General for S. Aust. in London, 1928/33. Barrister-at law, of Adelaide, b. Adelaide, 26 Feb., 1877.

⁵² *South Australian Parliamentary Debates*, 1919, I, p. 167.

⁵³ *Ibid.*, I, p. 133.

ministerial career was thus terminated. Mr. Peake died shortly after these events, and was succeeded as Premier by Mr. Barwell.

VI

On the 14th of July, 1919, Mr. Beeby,⁵⁴ Minister of Labour and Industry in the New South Wales Government of Mr. Holman, resigned office because he objected to the action taken by the Minister of Agriculture, Mr. Grahame, in entering into a contract for the sale of about 3,000,000 bushels of wheat, without first inviting public competition, and without submitting the contract to the State Wheat Board or the Australian Wheat Board. No effort was made to ascertain whether a better price could be obtained for the wheat than that provided for in the contract. "What I again object to," said Mr. Beeby, "is the Cabinet and the party which supports it being subject to attack through the actions of a Minister in again hurriedly entering into an important contract without taking every available step to protect the public interest." The contract had been made with Mr. George Georgeson, who had been manager of a number of companies, but had not had much experience of the wheat trade before he engaged in this speculation. At the time of the signing of the contract, about 11,000,000 bushels of 1916-17 wheat stood on the books of the board as remaining unsold. The stacks had been partly destroyed and partly deteriorated by the ravages, first of mice and secondly of weevils. But Mr. Beeby alleged that much of the wheat was of fair average quality, and could have been sold as f.a.q. wheat, at a price in excess of that stipulated in the contract. What in fact had happened, he asserted, was that Georgeson did not take the inferior wheat, but that he "sterilised and picked over" the stacks, and selected his contract quality of 3,000,000 bushels from the 11,000,000 available, obtaining it at an average price of 4s. 2d. per bushel, whereas it could have been sold for 5s. per bushel.⁵⁵

⁵⁴ Hon. Sir George Beeby, K.B.E. M.L.A., N.S. Wales, 1907/12, 1917/20, M.L.C., 1916/17, Judge of Arbitration Court, N.S. Wales, 1920/26, Judge of Federal Conciliation and Arbitration Court, 1926/39, Chief Judge, 1939. Of Sydney and Melbourne; b. Annandale, N.S.W., 23 May, 1869.

⁵⁵ N.S.W. *Parliamentary Debates*, 1919, Vol 75, pp. 101-106

The New South Wales Government appointed Mr. Justice Pring⁵⁶ to act as a Royal Commissioner to investigate the circumstances in which the contract was made. In his first report Mr. Justice Pring observed that Mr. Grahame and the manager of the New South Wales Wheat Board, Mr. Drummond, became dissatisfied with the method of pooling adopted by the Australian Wheat Board in respect to "inferior wheat." On 6th February, 1919, Mr. Grahame wrote to the Chairman of the Australian Wheat Board informing him that in future sales of "inferior wheat" in New South Wales would take place without reference to the Australian Wheat Board. He held that the original intention was that the board should handle only matters relating to f.a.q. wheat. Mr. Justice Pring, however, pointed out that this was an error. The agreement of the State Wheat Board with the Australian Wheat Board "made no distinction between sales of f.a.q. wheat and inferior wheat." But Mr. Grahame, being concerned with the large quantity of grain remaining unsold, and regarding it as "inferior wheat," entered into the contract with Georgeson without further reference to the Australian Wheat Board. "This, I am inclined to think," commented Mr. Justice Pring, "was the real origin of the trouble that has taken place with regard to the contract."

The evidence showed that the New South Wales wheat crop of 1916-17 had been of very poor quality. Owing to excessive rain before and during the harvest, some of the grain was rusted and bleached. After it was stacked, it was subjected to two mice plagues in 1917 and 1918, and was also badly affected by weevils. As a result, it had a bad odour. The British Wheat Commissioner refused to accept it, as it was not f.a.q. wheat. Local millers, "under compulsion," bought a certain quantity for mixing with f.a.q. wheat, and were allowed a reduction of 4½d. a bushel on the price, 4s. 9d., fixed for local consumption. But after the signing of the Armistice in November, 1918, the millers refused to take any more.

The State Wheat Board, Judge Pring found, had then been confronted with a very difficult problem. Its books

⁵⁶ Hon. Mr. Justice R. D. Pring. Judge of Supreme Court of N.S. Wales, 1902/22. Of Sydney, b. Mangolah Station, near Wagga Wagga, N.S.W., 29 Jan., 1853. Died 22 Aug., 1922.

showed 11,000,000 bushels as being on hand, but in fact, owing to depreciation by mice and weevils, this quantity had been reduced to 8,000,000 bushels. The problem had been how to dispose of this quantity.

It happened that the Japanese rice crop had been largely a failure in 1918, and there had consequently arisen in that country a demand for grain. The conjunction of circumstances—millions of bushels of unsold wheat in Australia and dearth in Asia—had brought Georgeson into the field as a speculator. If he could buy 3,000,000 bushels cheap and sell at a good price, the margin of difference would represent a very handsome profit. Mr. Justice Pring commented that he saw no reason to doubt Georgeson's good faith; "but it must be evident that his venture in wheat savours very much of a gamble which so far has apparently been successful." So successful was it, indeed, that a partner of Georgeson was alleged to have admitted that his own share in the transaction was worth about £25,000. An estimate of Georgeson's profit was not given.

Mr. Justice Pring came to the conclusion that the average price for which Georgeson bought wheat was 4s. 4½d. a bushel, which he considered was "a fair price in all the circumstances." A number of grain experts testified that the price was a fair one for wheat in such a condition; others considered that the price was too low. The point which weighed with His Honour was that the wheat was practically unsaleable, it had been in the stacks two years, was daily deteriorating in quality, and the bad was a serious menace to the good grain. The unsatisfactory feature of the transaction stressed by Mr. Justice Pring was that, though the contract involved the payment by Georgeson of £585,000, no security by way of deposit or otherwise was demanded by the Minister to ensure the due performance of the contract. The judge held that this was a grave mistake, and indicated a want of proper caution on the part of the Minister and the manager of the New South Wales Wheat Office. At the time when the first report of the Royal Commissioner was prepared, Georgeson had paid £268,000, and had so far carried out his contract without difficulty.

The unsatisfactory feature of the enquiry was that Georgeson was unable to attend and submit to examination. He was reported to be too ill to make an appearance. After obtaining evidence from all other sources likely to be able to supply relevant information, Mr. Justice Pring returned his commission. He stated that a few days after the enquiry commenced he was informed that Georgeson was so seriously ill that he was "wholly incapacitated from giving evidence." His Honour was requested to proceed with the enquiry, and did in fact hold several more sittings after he had twice returned his commission with the intimation that he considered it useless to continue in Georgeson's absence. In a final report, dated the 11th of November, 1920, he informed the Premier that medical men certified that if Georgeson were subjected to any excitement he would probably collapse, and that "apart from his physical condition, his mental condition was such that he would not be able to give any information." In these circumstances, Mr. Justice Pring reported that "it is useless for me to proceed any further with the enquiry."⁵⁷

To some extent, therefore, the enquiry by the Royal Commissioner was inconclusive, in the absence of the evidence of the man who made the contract with the State Wheat Board, and negotiated its terms with the Minister. But the political consequences were determined in a different atmosphere. Mr. Beeby's resignation from the Cabinet created a situation which, naturally, the opponents of the Holman Ministry were quick to exploit. When the question was raised in Parliament, the Premier informed the Legislative Assembly that Mr. Grahame had pressed upon him his wish that he should "stand down from the active discharge of his duties as Minister for Agriculture" until the enquiry terminated. Mr. Grahame had desired to resign, but his colleagues had urgently solicited him not to do so. It was therefore arranged that he should remain in the Cabinet, but that one of his colleagues should be sworn in as Acting Minister.⁵⁸

⁵⁷ Mr. Justice Pring's first report as Royal Commissioner is contained in the *New South Wales Parliamentary Papers, 1919, Vol. I, pp. 179 et seq.* His later reports, including the final report, are in the *Parliamentary Papers, 1920, Vol. I, pp. 219 et seq.*

⁵⁸ *N S W. Parliamentary Debates, 1919, Vol. 77, p. 1836*

But the State Parliament was dissolved in February, 1920, and during the electoral campaign which preceded and followed the dissolution, attention was concentrated upon the "wheat scandals," as they were called. On January 14th the Premier announced that Mr. Grahame had resigned from the Cabinet. Mr. Holman stated that the Royal Commissioner had made it clear to him and his colleagues that, owing to the protracted illness of Mr. Georgeson, "he could not at present, and perhaps could never, come to any conclusion on the question of Mr. Grahame's personal conduct." Mr. Grahame's colleagues had no doubt of his integrity and veracity on public questions; but "unfortunately suspicion cannot be allayed by legal proof for many months, perhaps never, and in the circumstances it is better that Mr. Grahame should resign."⁵⁹ At the ensuing general election the Holman Government was severely defeated, the Premier himself, Mr. Grahame, and several other ministers losing their seats. The Labour party secured a majority, and the Ministry of Mr. John Storey came into office.

In the first session of the new Parliament the question entered upon a fresh phase. A newspaper published the statement that £500 had been paid to a member of the Labour party on the understanding that if that party were returned to power it would "close down" on the enquiry into the wheat scandals. It was alleged that the money had been paid by a partner of Georgeson. This statement was brought under the notice of Mr. Storey, who during the election campaign had spoken of the transactions as "scandalous wrong-doing and gross maladministration in the exercise of a great public trust." Mr. Storey assured the Legislative Assembly that his determination had been to probe the matter to the bottom. "Of course," he said, "I do not know what members of my party may do or may have done as private members, or at a time when they were not members at all, but were candidates for Parliament. I have no knowledge of what they may have done, but whatever it was, it in no way implicates the Government or any member of our Labour party."⁶⁰ Mr. Storey did, indeed, repeatedly press Mr. Justice

⁵⁹ *The Sydney Morning Herald*, 15 Jan., 1920

⁶⁰ *N S W Parliamentary Debates*, 1920, Vol 81, p 2409.

Pring to continue his investigations, and received four reports from him during 1920. The last of these, already mentioned, expressed his sense of the uselessness of proceeding further; and so the wheat scandals passed out of the glare of current politics into the twilight where dubious things tread upon the threshold of oblivion.

VII

The Victorian Wheat Commission was not troubled with political complications, except for a little parliamentary criticism occasionally, because from the beginning the Minister for Agriculture, Mr. Hagelthorn, set his face resolutely against political influence, and refused to interfere with the eminently efficient manager and secretary, Mr. Baker and Mr. Judd.⁶¹ Whenever any form of political pressure was suggested or threatened, Mr. Hagelthorn resisted it on the ground that he was satisfied that the administration was fair and competent. When in November, 1917, he was succeeded by Mr. Oman,⁶² the same policy was maintained. The result was that when the Victorian pool ceased to operate as a war-time expedient, it enjoyed the confidence of farmers, millers, and shipping firms, and its activities were continued as the Victorian Wheat-Growers' Corporation, conducted under State legislation, and with the same management. From 1915 to 1921 the Victorian pool handled 220,143,507 bushels of wheat and had a total income of £65,465,858.

⁶¹ C. Judd, Esq. Secretary, Vic. Wheat Commission, 1915/24; subsequently Manager, Vic. Wheat-Growers' Corporation, Ltd. Of Toorak, Vic.; b. Smythesdale, Vic., 13 Aug., 1887.

⁶² Hon. D. S. Oman. M.L.A., Vic., 1900/27. Pastoralist; of Lismore, Vic.; b. Lismore, 9 Nov., 1866. Died 10 April, 1930.

CHAPTER XVIII

SHIPPING

THE official speech of the Governor-General in opening the first session of the Sixth Parliament of the Commonwealth on the 8th of October, 1914, contained the following announcement :

My advisers are in favour of establishing a line of Commonwealth steamers, and steps towards that end will be taken as soon as practicable.

The Fisher Government had just taken office, and the promise of a line of steamers had been a not unattractive plank in its election programme. This renewal of the pledge was heralded with approbation by ministerial supporters in the "address-in-reply" debate.

Within two years the Commonwealth was the owner of a mercantile fleet. But the acquisition of the ships did not occur through deliberate fulfilment of the promise in the Governor-General's speech, but through quite other circumstances and for more urgent reasons than those which Mr. Fisher had in mind. In the meantime he had retired from the Prime Ministership, and Mr. Hughes reigned in his stead. Mr. Hughes may not have forgotten the paragraph of 1914, but his energetic policy in acquiring a whole fleet in 1916 was dictated by the exigencies of the situation at the moment. The Commonwealth became a shipowner, and even a ship-builder, because it saw itself in danger of being commercially marooned on its large island unless it took steps to ensure the continuance of communications with other continents by means of shipping under its own direction.

"Shipping," said Mr. Lloyd George in the House of Commons, "is the jugular vein which if severed would destroy the whole life of the nation." The efficient control of the shipping resources of Great Britain was, from the beginning of the war, recognised as vital. The Allies, Russia, France, and Italy, had to be supplied with war materials and food; Great Britain herself had to obtain food-stuffs and raw materials for manufactures from the uttermost ends of the earth; and it was imperative that merchant ships should be controlled for the fulfilment of these essential services.

Hundreds of thousands of tons of shipping were diverted from their customary trade routes to fetch and carry as commanded. Commerce was subordinated to the demands of war. It was ever so when England had to fight—in “the spacious days of great Elizabeth,” when the small trading craft co-operated with the squadrons of Drake, Hawkins, and Howard; in the Dutch wars, the War of the Spanish Succession, the Seven Years’ War, and the glittering days of Nelson, Jervis, and Collingwood. Always the mercantile marine was the left hand of the Royal Navy, and fully capable of what a good fighter can do with his left.

Fortunately the King of England possessed an ancient right, though one seldom if ever used in the case of shipping since the end of the seventeenth century,¹ to requisition whatever property was necessary for emergencies of defence; and a committee of shipowners appointed in 1912 to consider methods for the transport of British troops, if ever required in consequence of the *entente* with France, had recommended that this right be made use of. It was even held, until the judgment of the House of Lords in the *De Keyser’s Royal Hotel* case, 1918-20, that the owner of the property had no common law right to any compensation, although by immemorial practice ships thus seized for transports had been paid for at fixed rates of hire, and during the Great War such rates were always fixed in conference with the owners themselves. From the 5th of August, 1914, onwards, the merchant ships necessary for the transport and maintenance of the British Expeditionary Force were taken up under this system by the Transport Department of the Admiralty.² In November, 1915, after the shortage of ships had become acute, the task of requisitioning ships for purposes of general food-supply was transferred to a Requisitioning (Carriage of Foodstuffs) Committee under the Board of Trade, and in 1916, as increasing difficulties called for more perfect control, powers were centralised, first in a Shipping Control Committee, and finally, at the end of the year, in a Controller (Sir Joseph Maclay³) and Department of Shipping. To this

¹ For a short account of the subject, and authorities, see Fayle, *Seaborne Trade*, Vol. II, pp. 41-5.

² Assisted from 10 Feb., 1915, by an advisory committee of shipowners.

³ Rt. Hon. Lord Maclay, Minister of Shipping, 1916/21. Shipowner, of Glasgow; b Glasgow, 6 Sept., 1857.

department the Transport Department of the Admiralty—which to a great extent had become concerned with commercial services—was soon transferred, except so far as it dealt with purely naval and military needs, in which business it still remained under the Admiralty; and this organisation continued until after the end of the war.

The Australian Government, when, on 6th August, 1914, its offer of 20,000 troops was accepted by the British Government, had under the powers provided in the Defence Acts immediately requisitioned suitable transports to carry them.⁴ These were twenty-eight ships—registered in London, Liverpool, or Glasgow—which then happened to be in Australian ports. Several of them had already been privately chartered and some were fully loaded, but, when the Navy Department gave notice of requisition, agents and owners readily agreed and gave the department all possible assistance.

In this way, the Australian Government eventually requisitioned for the carriage of its troops and reinforcements, seventy-four transports, of which only five were ships normally employed in the Australian coastal trade, and six were ships of German lines seized by the Commonwealth Government as prizes. The remainder belonged to British companies trading with Australia. The Commonwealth paid hire for these ships⁵ and the shipowners engaged and delivered cargo for them as agents for the Government.

As these ships were bringing by far the most valued cargo—troops to fight in the common cause—the British Government naturally raised no objection to the requisitioning of British ships; it merely inquired (on August, 23rd) what ships the Commonwealth proposed to engage, and (on the 30th) what were the terms of the charter, particularly as to the conveyance of cargo. As the transports included many with

⁴ The work of the committee responsible is described in *Vol IX, The Royal Australian Navy, chap. xiii.*

⁵ The original rate of hire was that settled by the Admiralty for ships requisitioned by the British Government. Receipts from carriage of cargo were set off against this. On the arrival of the Commonwealth Shipping Representative (Mr. Larkin) in London a conference was held (16 March, 1915) with the Admiralty and Shipowners at which it was decided that in addition to "Blue Book" rates 3s per ton per month should be paid unless otherwise agreed. The average rate, 18s 8d per ton compared favourably with that paid by the Governments of New Zealand and India. In October 1915, by agreement with the Admiralty, and the shipowners headed by Lord Inchcape, the addition of 3s. was cancelled as from September 30, but an allowance was made for certain ships with shelter deck, etc. This represented a saving of £68,594 per month.

precious accommodation for refrigerated produce, the Colonial Secretary asked, in October, that these should bring the largest possible amounts of meat, especially of beef. This was already being arranged for. The Commonwealth undertook not to requisition any more ships with insulated space, and under such arrangements its transports continued to be controlled until 1917, a special department being established in the High Commissioner's office in London to facilitate management and negotiation at that end, with Mr. Larkin, specially borrowed from the A.U.S.N. Company in Australia, as chief shipping representative of the Commonwealth Government, assisted by Fleet Paymaster Martin,⁶ of the Royal Australian Navy, in charge of the transport business. They arranged for settlements with the owners and loading and coaling of transports and other Australian government ships, and negotiated with the Admiralty concerning them. Inevitably, with the growing shortage of ships and enormous increase in freights, the system came into question. Owners were anxious to free their ships to pick some of this golden harvest, and the Transport Department of the Admiralty and the Shipping Control Committee, driven to their wits' end to economise tonnage, were doubtful whether the extreme limits of economy were practised or possible in the Commonwealth's control.⁷ The reader will remember⁸ that after the launching of the Gallipoli and Salonica campaigns the British Government was forced to divert and detain in the Mediterranean a number of Australian transports, and actually requisitioned fourteen of them precisely at the time when Mr. Hughes was at the extremity of perplexity in his endeavour to secure tonnage for the carriage of the record Australian harvest of 1915-16.

Besides the requisitioned transports, of which sixty-two were then being employed, the Australian Government had under its own control those German ships which had been detained in Australian harbours on or after the outbreak of war. These numbered twenty-eight, of which four were sailing

⁶ Paymaster Captain A. Martin, O.B.E.; R.A.N. Director of Navy Accounts, 1911/19; Finance and Civil Member of Aust. Naval Board, 1919/23. Of Melbourne; b. England, 16 March, 1871. Died, 22 Sept., 1930.

⁷ For the views of both sides, see *Vol. IX*, pp. 416-17.

⁸ See p. 532.

ships. Provision for the setting up of prize courts throughout the Empire had been made by the British Parliament in the Prize Courts Act of 1894. Upon the governor of each colony, as vice-admiral, issuing a proclamation announcing that war existed between His Majesty and the German Emperor, the local supreme court acquired, in its admiralty jurisdiction, the full powers of a prize court. The courts were governed by the prize court rules amended by the British Parliament on the day after the outbreak of war. On the recommendation of the Commonwealth Government, its Crown Solicitor, Mr. Gordon Harwood Castle,^a was appointed by the British Government to institute and carry on proceedings in prize under the title "Proper Officer of the Crown".

It was upon Mr. Castle that the operation of the system in Australia mainly depended. Throughout the war he carried on the work without special pecuniary reward from either the British or the Commonwealth Government, and, although it was entirely new to Australian authorities, it went without hitch or delay.

Proceedings in the prize courts were necessary in order not merely to enforce the claim of the Crown against enemy ships and parts of their cargoes, but also to enable consignments to be released to the British subjects who owned them. In order to avoid the necessity of each owner of cargo having to make a separate application to the courts, on the suggestion of Mr. Castle the rules were amended so that delivery of these goods might be made to the Proper Officer on his application, and by him to the owners—a change of procedure which prevented much inconvenience, delay, and expense. The actual process began on September 1st, when application was made for the issue of writs against six German steamers in Melbourne, and three in Brisbane. The hearings followed a month later. In cases where the vessels were in Australian ports before the outbreak of war, or where they arrived afterwards without knowledge of the outbreak, the court ordered their detention until the end of the war. At an early stage the Government, finding it difficult to provide sufficient ships to carry the second contingent of the A.I.F. to Egypt before

^a G. H. Castle, Esq., O.B.E. C'wealth Crown Solicitor, 1913/27; of Melbourne; b. Hackham, S. Aust., 16 June, 1860. Died, 2 May, 1927.

the transports of the first convoy returned, exercised its right of requisitioning a number of these vessels, and they were accordingly handed over, nominally to the Admiralty. This transfer, at first temporary, was afterwards made permanent.¹⁰ In each case the Crown was required to file an undertaking to pay into court, whenever required, the appraised value of the vessel.

Prize proceedings were also taken in respect of a large number of tugs and lighters owned by enemy nationals, and in respect of enemy-owned goods seized aboard neutral vessels in Australian ports, and in all these cases orders for condemnation were obtained. Altogether, forty-three ships were the subject of proceedings in prize. Their total value was £1,333,139; the value of goods condemned as prize and sold was £26,371; and the value of the goods condemned as prize and delivered to the Crown in lieu of sale was £11,756.¹¹

In a large number of cases the enemy owners appealed to the Privy Council against the orders made by the prize courts in Australia, but these were always affirmed. After the end of the war the ships not condemned as prize were either released to the Crown absolutely in accordance with the Treaty of Peace, or delivered to the Public Trustee (who had been appointed the Custodian of Enemy Property) to be dealt with in accordance with the treaty.

Three ex-German steamers were included in the second convoy, and three others were afterwards fitted out as transports.¹² In June, 1915, when shortage of wheat ships was first apprehended by the State Governments, the Federal Government telegraphed that it was very anxious to use the remaining ex-German vessels for that purpose as well as for the export of concentrates and wool and the import of rails for the State railways. The British Government replied (August 4th) that owing to its own serious shortage it had

¹⁰ For reasons concerning the status of the ships in overseas ports.

¹¹ The case of the *Zambesi*—a British-owned steamer commandeered by the German administrator at Nauru and subsequently captured by the *Encounter* near New Guinea—furnished an interesting problem. Proceedings were taken for the condemnation of the vessel and cargo on the ground that the vessel was engaged in trade intercourse and communication with the enemy. After a lengthy hearing, the order asked for was made. The owners appealed to the Judicial Committee of the House of Lords, and the Crown did not oppose the appeal, but said it would treat the case as one of recapture. Eventually the vessel was handed back to the owners and the Crown deducted one-eighth of the proceeds of the sale of the cargo.

¹² See Vol. IX, pp. 413, 502-19, 534-5.

not contemplated the retention by Australia of all the ex-German ships, but it recognised the urgency of her requirements and agreed that she should have a free hand in arranging for carrying on Australian trade in them, relying on her Government "to turn over to the Admiralty any ship as soon as it is in Ministers' judgment possible to do so." They were accordingly registered in London in the King's name, but remained the property of the Australian Government.

The ex-enemy steamers, however, and the requisitioned transports, even if they were allowed to return regularly to Australia, would furnish but a tithe of the shipping that in August, 1915, was foreseen to be necessary to lift the season's record crop. The efforts to secure this shipping have been described in the chapter on Australian trade. In desperation, Mr. Hughes suggested that the Admiralty should requisition fifty ships, or arrange for the use of the Russian volunteer fleet from Vladivostock and of ships detained in South Africa; but when he arrived in England in the spring of 1916 the position had become far worse. By then, although 1,181,100 tons of Australia's wheat had been sold, only 831,000 tons had been shipped. The Government had made advances on this wheat, and could not be recouped till it was delivered. The London agents employed by the Government had succeeded in securing a number of ships at the 95s. rate, but as freights for Argentina were then 150s., although the journey was but half that to Australia, shipowners sought other engagements. By Christmas Mr. Hughes had been prepared to pay 120s.—10s. more than the freight which in November he had labelled as "outrageous"—but he was still unable to secure half the ships required.

In these circumstances he was left to the exercise of his dynamic methods. The result of overtures, made on his arrival in England, to the authorities which controlled British shipping showed that not much relief was to be expected from that quarter. The matter was a vital one for Australia, and Mr. Hughes had to decide whether he, as head of the Commonwealth Government, should take independent action to secure tonnage.

II

Towards the end of May, 1916, the Prime Minister cabled to the Commonwealth Treasurer, Mr. Higgs, requiring that money should be placed at his disposal in London for a purchase of ships. Mr. Higgs thereupon wrote to the Governor of the Commonwealth Bank, Mr. Denison Miller, the following letter which was marked "Secret," and dated May 29th:

Please hold in London at the disposal of the Prime Minister of the Commonwealth of Australia (Hon. W. M. Hughes) the sum of £3,500,000 for the purchase of 25 ships for the Government of the Commonwealth of Australia.¹⁸

The earliest public intimation received in Australia that Mr. Hughes had bought a fleet of ships was published on June 27th, after he had left London on his return voyage. Cabinet ministers could then furnish no definite information, though the Treasurer was aware that a purchase had probably been made. When questioned by inquisitive journalists, ministers mentioned that the question had been discussed before Mr. Hughes went to London, and that he had been given a free hand. He had, however, acted on his own responsibility, trusting that his colleagues and Parliament, when the circumstances were explained to them, would confirm what he had done. How little was known about the purchase at the time is shown by the vagueness of the news published and the uncertainty of Ministers. The form in which the information was given by *The Argus* (June 27th) is typical:

It is understood that the Prime Minister, before leaving England, completed arrangements for the purchase by Australia of a number of ships, to institute a Commonwealth-owned steamship line for the transport of the present wheat harvest. When questioned on the matter yesterday the Acting Prime Minister (Senator Pearce) stated that he had no official confirmation of the statement. It was stated in Ministerial circles, however, that the Cabinet had given Mr. Hughes authority to purchase a fleet of vessels, and although Ministers were not in a position to confirm the statement that negotiations for the purchase of a number of ships had been concluded, more than one Minister expressed the opinion that it was very probably so, and the details concerning the transaction would probably come to hand shortly.

¹⁸ Auditor-General's report, *Commonwealth Parliamentary Papers, 1914-17, Vol. III, p. 1847.*

What had actually happened was as follows. After his first interviews with various authorities concerned with shipping, including the President of the Board of Trade, Mr. Walter Runciman¹⁴—himself belonging to a family of ship-owners—Mr. Hughes saw no prospect of agreement. The Cabinet was more likely to take a broad view of the Empire's needs, but Mr. Hughes's recent experience of its meetings¹⁵ had caused him to abandon any notion of securing prompt and drastic action through the initiative of that body, even if he had been able to persuade it. He had been impressed by its lack of plan, and the manner in which important matters were sometimes decided in the most casual fashion or else discussed and left undecided without any steps being apparently taken to ensure their ultimate decision.

He accordingly made arrangements with a ship-broking firm of good standing in the City of London, Messrs. Turner, Davidson & Co., to ascertain what ships could be bought and to complete preliminary arrangements for the purchase. This having been done, it only remained for Mr. Hughes to signify the number of ships that he required. The Australian Prime Minister on June 9th again visited Mr. Runciman, and spent a fruitless morning in a renewed endeavour to secure the desired concession. Having failed, he met at lunch Mr. Asquith, the British Prime Minister, whom, after an explanation of the acute difficulty besetting Australia, he found to be markedly sympathetic. "You must see Runciman about it," Asquith finally suggested. "Don't send me back there!" was the reply.

That afternoon Mr. Hughes met in conference the British Shipping Control Committee (which included many leading shipowners) as well as representatives of the Transport Department, the Treasury, the Colonial Office, and the Joint Purchasing Committee, and put before them his proposal to secure ships. He found them inflexibly opposed to it. "You can have all the ships you want by paying the settled freight," they said. "But it is you who prescribe the freight, and you ask me 150s.," he retorted. Leaving the conference with the

¹⁴ Rt. Hon. W. Runciman. President, Board of Trade, 1914/16, and since 1931. Shipowner; of Doxford, Northumberland; b South Shields Durham, 19 Nov 1870.

¹⁵ See p 328.

matter still undecided, he immediately instructed Messrs Turner, Davidson & Co. to buy ships up to the number of twenty-five. Shortly afterwards he received from them a message that fifteen had been bought, and no more were procurable.

Realising that this step would be countered by the utmost effort from the Shipping Control Committee, Mr. Hughes at once called upon Mr. Arthur Balfour, then First Lord of the Admiralty. He found him intensely worried over a reversal—through the brusquerie of Joffre—of a Cabinet decision to withdraw divisions from Salonica.¹⁶ After listening sympathetically, Mr. Hughes explained that he had come about another matter, and described his purchase of the ships. “There’ll be dreadful trouble over this,” said Mr. Balfour, but he promised to do what he could, and at Mr. Hughes’s request asked for a meeting of the British Cabinet on the earliest possible day, which was several days ahead.¹⁷

In the meantime the Shipping Control Committee had learned of the purchase, and, when the matter was brought before the Cabinet, Mr. Runciman and others strongly attacked Mr. Hughes’s action. The onset upon him becoming exceedingly vehement, Mr. Hughes finally asked: “Well, what are you going to do about it?” “Requisition your ships as soon as they come into port,” said Mr. Runciman.

At that stage Mr. Asquith stepped in. “I am not sure that you have been quite fair to Mr. Hughes,” he said, and, turning to the Australian Prime Minister, asked him whether, if they agreed to his purchase of the fifteen ships, he would undertake not to buy more without consulting the British Government. Mr. Hughes consented. Even then the opposition had not entirely ended. On reaching Cape Town, on his return voyage to Australia, Mr. Hughes received information that Mr. Lloyd George proposed to have the ships requisitioned. Mr. Hughes telegraphed that he was returning at once to London, in order to stay there until the matter was settled. Lloyd George chose the lesser evil: the

¹⁶ See *p.* 328.

¹⁷ The narrative is based on notes of the Australian Official War Correspondent, chiefly made since the war.

Prime Minister continued his voyage without further interruption, and Australia secured the ships.¹⁸

The vessels acquired were described by an expert as "the plainest possible description of tramps." They were built for the rough cargo trade, and were suitable only for that purpose. They were nine years old, nearing their third survey, and were at the time of the purchase dispersed over the various seas of the globe. Nine of them were under requisition by the Admiralty, four were on time-charter to the French Government, one was in the eastern seas, manned entirely by a Chinese crew. They were not vessels which made any pretensions to smartness or beauty of line. When they became familiar in Australian ports, especially in the last stages of the Commonwealth's ownership of them, as they rested at anchor with patches of rust blushing through the chipped paint, they often had a derelict look. They were the kind of ships imagined by Rudyard Kipling—

By sport of bitter weather
We're walty, strained, and scarred
From the kentledge on the kelson
To the slings upon the yard.
Six oceans had their will of us
To carry all away—
Our galley's in the Baltic,
And our boom's in Mossel Bay.

The "salts" of Williamstown and Darling Harbour who cocked a weather eye at them were often blasphemously critical, and the experts of Bridge-street and Collins-street West were politely scornful. But they were not built to be ornaments of the sea. They were confessed tramps, and pretended to be nothing else, fetchers and carriers inured to no fixed routes, but built to go anywhere at a cable's call, plodding across the oceans at a steady 8 knots—their economic speed—though they could dash along at 8½ knots if there were need for hurrying. A member of Parliament called them "rotten-bottomed old things,"¹⁹ but that was political exaggeration.

¹⁸ The Shipping Control Committee's last word is probably represented by a paragraph which circulated, to the effect that rumours were current that other purchases were contemplated, but that "British shipping authorities declared that, whatever Mr. Hughes's views might be, no vessels would be permitted to be purchased by him until the end of the war."

¹⁹ *Parliamentary Debates*, LXXXI, p 10358 (Mr. W. G. Mahony.)

When the purchase was announced, but before details were known, the mercantile marine journal, *Fairplay*, stated that it was understood that the ships had changed hands at a figure "approaching £15 a ton, dead weight, or nearly three times their original cost," and asked the question: "How can this large capital be saved when the ordinary life of a vessel will be up long before the profits are sufficient to provide for the depreciation?" But, as afterwards elicited, the price worked out at more than £32 10s. a ton, or, on the basis stated, above six times their original cost. The price of the fifteen ships was £2,068,000, less a commission of £20,100 allowed by the vendors, and the Commonwealth paid brokerage of £300 on each steamer, a total of £4,500.²⁰ The purchase was financed by the Commonwealth Bank, the capital cost being treated as an overdraft account.

Little attention to the purchase was given by the Commonwealth Parliament. There was no formal debate. Sir John Forrest, then an Opposition member, expressed his disapproval, and several others asked questions from time to time about points which interested them, or to elicit information about the intentions of the Government; but the Prime Minister's action was not challenged, no member complained of an important fresh phase of governmental activity being commenced without parliamentary sanction, nor was much curiosity evoked concerning the price or the character of the ships. Mr. Hughes returned from London in August, full of determination to raise reinforcements, and very soon he became involved in the fierce struggle within his party which resulted in its wreck upon the conscription rock, and his own mutations towards leadership of a new coalition party. The passionate issue of the time obliterated the temporary surprise about the purchase of the ships. He was not even required to make a statement to Parliament about the transaction, still less to justify it. That the Commonwealth had become a merchant-shipowner was a fact accepted as merely a casual incident of an amazing period when there were so many surprises than each new one soon jostled its predecessors into the shade.

²⁰ Auditor-General's report, *Commonwealth Parliamentary Papers, 1917-19. Vol. III, pp 2197, 2292.*

The Auditor-General reported to Parliament that "no parliamentary appropriation or authority" had been seen by him, for the overdraft with the Commonwealth Bank for the purchase of the ships;²¹ and in a later report he recommended that legislation should be passed "to define the powers and functions of the General Manager in connection with this account, for the establishment of the Shipping Office, for the appointment of officers, and to insure proper Treasury and Audit control of these accounts generally."²² Mr. Higgs, also, who was Treasurer when the transaction took place, speaking as a private member urged that a bill should be introduced to authorise the expenditure. He admitted that there was justification for "the Prime Minister keeping the matter more or less secret" while he was negotiating the purchase, but, now that the business was completed, he thought that it should be put in regular order.²³ But no step in that direction was taken. The money, having been obtained by overdraft from the Commonwealth Bank, did not appear upon accounts and the estimates of expenditure submitted to Parliament. The unusual position was therefore created that a large sum of money was expended without Parliament being asked to validate the transaction. Mr. Hughes, in answer to a question in the House of Representatives, expressed the view that "no legalization is necessary," except to provide for the management of the line, and a measure for that purpose would be "introduced at the first opportunity."²⁴ But that, like the Spanish *mañana*, never came.

In Australia Mr. Hughes's enterprise evoked mingled approval and dissent, but no enthusiasm. It was approved by the Labour party which regarded the acquisition of a fleet as an experiment in state socialism. Country interests as a whole supported the move, whereas shipping experts predicted that it would result in loss. The president of the Sydney Chamber of Commerce, Mr. Parkes,²⁵ "most strongly

²¹ Auditor-General's report, *Parliamentary Papers*, 1914-17, Vol. III, p. 1805

²² *Ibid.*, 1917-19, Vol. III, p. 1887.

²³ *Parliamentary Debates*, LXXX, p. 9579.

²⁴ *Parliamentary Debates*, LXXXIV, pp. 3919-20 (17 April, 1918).

²⁵ Geo. A. Parkes, Esq. President, Sydney Chamber of Commerce, 1915/16, 1926/28, Associated Chambers of Commerce of Aust., 1916/17. Shipping merchant; of Mosman, N.S.W.; b. Richmond, N.S.W., 19 Feb. 1868.

disapproved of the Federal Government entering into competition with private ownership." The Labour journals at this time were not disposed to praise warmly anything that Mr. Hughes did, because they suspected him of having designs for accelerating recruiting. The purchase was not heralded as a bold stroke of political genius, though the newspapers printed extracts from *The Westminster Gazette*, which thought that "the Commonwealth Government has solved the shipping problem in a bold and original manner," and from *The Manchester Guardian*, which admired the "quietness" with which the transaction was carried through, to "the complete surprise of the City." Among Australian expressions of opinion, that of the Melbourne *Argus* (June 28th) suggested that political motives had more to do with the business than a desire to provide freight for wheat:

Mr. Hughes had doubtless been kept well informed as to the state of feeling in Australia and the effect which the admiration of the commercial classes and the adoration of the duchesses, both so openly tendered to him, has had upon the members of the Caucus, and the reports he has received cannot have been altogether satisfactory. So he has asked himself in the few spare moments at his disposal: What can I do to bring these rebels back into line and once more solidify the Caucus in my favour? And in one of his many moments of inspiration the answer has come: I have it. I will go out and purchase a line of steamers. If that won't fetch them nothing will. And hey, presto! the line of steamers was purchased.

The purchase was, in short, the writer maintained "a sop thrown to the extreme and turbulent section of the Labour Party."

It is obvious that Mr. Hughes's ships could have carried but a very small proportion of Australia's wheat—a fact which must have been perfectly evident to him when, with nearly half of his advance unexpended, he agreed to Mr. Asquith's condition, and undertook to purchase only the fifteen ships. The lifting of the wheat could not be effected without wholesale diversion of shipping by the British Shipping Control; and when, three months later, the British Wheat Commission was forced to turn to Australia for the people's bread, the Shipping Control and transport authorities insisted on using that occasion to enable it to gain control of the Australian Government's transports, and to limit its shipping

operations; the contract, which afforded vital relief to the Australian Government from its commitments, was not signed until that government agreed to these conditions.

Mr. Hughes has claimed that his purchase of ships "applied a brake to the extortionate freights charged by the 'Shipping Committee,' who were, in fact, the owners of British shipping." Whether this contention is quite fair to the committee, readers of Fayle's monumental work on *Seaborne Trade* will probably doubt, but in the long run Mr. Hughes's action did probably have a mitigating effect upon freights. It also served as a demonstration to the British Government that Australian interests could not be ignored. Finally it resulted in the Australian Government's retaining control of at least some oversea tonnage in the last phases of the war. When, after the wheat purchase, the Australian transports—which, indeed, were decreasingly needed owing to the diminution of recruits—reverted to British Government control, the six ex-German vessels were excepted. These, together with the other twelve ex-German steamers that had been cargo-carrying under the Transport Department, were transferred to the Commonwealth Line. Australian troops were thenceforth carried under control of the British authorities, with whom the Transport Department at the High Commissioner's office arranged the details. Even the loading in Australia of the ships under requisition to the British Government was controlled by its own agents, who were represented on the Commonwealth Shipping Board, formed in February, 1917, to supervise the allocation of cargo.²⁶ Mr. Hughes succeeded in retaining control of the enlarged Commonwealth Line of Steamers, and it was assumed that the Australian coastal shipping would not be interfered with.

It will be recalled that at this stage—New Year, 1917—the shipping problem assumed a new complexion, first through

²⁶ Previous to this a board known as the "Overseas Committee" had been voluntarily formed in order to ensure that holds should be filled to the best advantage. Mr. Owen Cox was chairman, and the committee was practically identical with that which allocated refrigerated cargo on behalf of the British Government. The Commonwealth Shipping Board, on which Rear-Admiral Clarkson was Controller of Shipping, and Mr. Owen Cox and Mr. David Hunter Controllers of Oversea and Interstate Shipping respectively, maintained the organisation of both the previous committees. So far as ships under the British Shipping Controller were concerned, the Board acted on his instructions.

the discovery that Australian wheat was not, after all, needed, and, second, through the immense inroads made upon shipping by the submarine campaign. The British Government could meet these losses only by cutting down its food imports to those needed for bare subsistence, and by bringing these from the nearest possible sources. Henceforth it was vital to British policy to remove all ships that could be taken from the Australian and New Zealand trade and concentrate them on shorter routes. In this extremity even the shipping on the Australian coast was not spared; after the agreement as to wheat and shipping had been reached, the Admiralty dropped its first thunderbolt by giving notice of its intention to requisition several steamers registered in Australia and engaged in coastal trade. The most important of these were three vessels, the *Emerald Wings*, *Bright Wings*, and *Southborough*, which had, from the beginning of the war, been chartered by the Broken Hill Proprietary Company and run between Newcastle (N.S.Wales), Port Kembla, and Port Pirie in order to keep the smelters in operation. Although these steamers were registered in Australia, their owners were British, and had constantly urged their loss of trade and pressed the British Government to obtain the release of their ships. To a distant authority which did not realise the great distances covered by Australian coastal journeys, it might seem that rail transport was a reasonable alternative, and the Admiralty persisted with its demands. Mr. Hughes telegraphed that it was impossible to agree.

Unless Australia is allowed to retain control of its coastal shipping the position will become quite impossible.

The Admiralty suggested that neutral vessels should be employed instead. The reply was that the holds of these three steamers were specially lined for the ore trade, and no other suitable vessels were in sight. So indispensable were they that the Broken Hill Company had been promised that, if the owners demanded their return, the Commonwealth Government would forthwith requisition them. On March 24th the Admiralty abandoned its proposal on the ground that the ships were registered in Australia.

This—and possibly similar difficulties with the Canadian Government—led, in May, 1917, to the making of an agreement, suggested by the British Government, that each part of the Empire should have power to requisition ships on its own registry, and those only; but that, where a vessel belonging to one part was engaged in coastal trade vital to another part, the government of the latter should be consulted before she was requisitioned. This was followed by a further withdrawal of ships important to Australian trade but registered outside Australia, the chief being the *St. Albans*, which regularly connected the Commonwealth with Hong Kong. To Australian objections the British Government answered that in the existing crisis it could consider only the transport of necessities, not the requirements of commerce.

Upon the Germans launching the unrestricted submarine campaign in February, 1917, the Shipping Controller appealed to the dominions to see whether ships in their coastal services could be replaced by land transport or by neutral ships, and sent to assist the Mother Country and her Allies. The request was supported by a special plea addressed by Mr. Lloyd George, immediately on attaining the Prime Ministership, to Mr. Hughes. The new British Government, he said, had taken control of all British shipping, and of all ship-building yards, partly in order to put an end to excessive profits and partly for economy in the use of ships. Neutral ships, which were fleeing from the danger zone, would work more freely in Australian waters, and he therefore urged Mr. Hughes, in spite of possible difficulties as to wages and labour, to use them to set free suitable coastal ships. The Commonwealth Government promised to make a most careful scrutiny, but at the end of March the Commonwealth Shipping Board reported that there was little prospect of releasing any interstate vessels, as they were already too few for urgent traffic, especially in coal for wheat ships and transports. These conditions, however, might change when quicker bunkering appliances were installed.

It is probable that the extent of the British need was not realised by the Australian Government until, on the 22nd of August, 1917, a telegram was received from the Colonial

Secretary indicating how close the Mother Country was to the lowest possible limit of her sea-strength. British imports might fall to 25 million tons (less than half their weight in pre-war years). They could not go beyond a certain limit without disaster, and there was every prospect that this limit would be reached in a few months. The Shipping Controller had pointed out that Australia possessed 117 steamers of 413,600 tons gross, and the Dominions a total of 320 vessels of 1,100,000 tons, and it was asked that some of these might be sent to assist in the main tasks.

This appeal brought a different reply. The Commonwealth offered at once seven steamers of 5,500 tons and over, including two of its largest coastal passenger liners (the *Indarra* and *Canberra*) and the now famous *Emerald Wings*, *Bright Wings*, and *Southborough*.²⁷ The British Government accepted this "most welcome offer of assistance," but a month later it had to ask for more. The Australian ministry replied that it was prepared to release more, if absolutely necessary, to assist in the Mother Country's "supreme effort." The British Government, whose messages were couched throughout in moderate and dignified language, stated, for once, that it was in "desperate need"; during 1917 the ocean-going ships had been reduced by 600, and a further reduction of 450 was expected in 1918.

To this appeal no immediate response was found possible, but before the end of the war 33 ships of 141,056 aggregate tonnage were withdrawn from the Australian coastal trade, and 15 others of 74,323 tons, from the trade between Australia and New Zealand and the Pacific islands. In addition a total of 62 other ships with a tonnage of 252,249, which were ordinarily occupied with Australian commerce, were withdrawn from that service.²⁸

²⁷ The offer of the *Emerald Wings* and *Bright Wings* was afterwards withdrawn upon a protest from the Broken Hill Company, and two other large steamers were substituted. The *Southborough* was released, and, manned partly by Australians, sailed for England with a cargo of wheat, but on 16 July, 1918, was torpedoed near Scarborough, 30 of her crew, including the master, being lost (see Vol. IX, p. 483).

²⁸ The figures here quoted are taken from a "Return showing under various headings ships that have been withdrawn from service in Australian waters since the outbreak of the present war", furnished to the Commonwealth Parliament in 1918.

III

These were the circumstances in which the Commonwealth Line of Steamers began its operations. As soon as the ships were recalled from the services on which they were engaged in June, 1916, and were delivered to the Commonwealth, they transferred to the Australian register, and their names were changed. All had been delivered by August 8th.²⁹ The following is a list of them, together with their tonnage and cost.³⁰

Original Name	Australian Name	Tonnage	Price
<i>Strathendrick</i>	<i>Australdale</i>	4,379	£145,000
<i>Strathavon</i>	<i>Australford</i>	4,403	145,000
<i>Strathairly</i>	<i>Australpool</i>	4,326	145,000
<i>Strathord</i>	<i>Australglen</i>	4,417	145,000
<i>Strathleven</i>	<i>Australcrag</i>	4,396	145,000
<i>Strathdee</i>	<i>Australrange</i>	4,409	145,000
<i>Strathspey</i>	<i>Australpeak</i>	4,432	145,000
<i>Strathgarry</i>	<i>Australbush</i>	4,398	145,000
<i>Strathbeg</i>	<i>Australmount</i>	4,338	145,000
<i>Strathesk</i>	<i>Australbrook</i>	4,336	145,000
<i>Ardangorm</i>	<i>Australport</i>	3,570	145,000
<i>Ardanmhor</i>	<i>Australplain</i>	4,454	125,000
<i>Vermont</i>	<i>Australfield</i>	4,271	110,000
<i>Daltonhall</i>	<i>Australstream</i>	3,534	80,000
<i>Kirkoswald</i>	<i>Australmead</i>	4,021	158,000
		63,684	£2,068,000

The Prime Minister entrusted the management of the ships to Mr. Larkin, who had been acting as the Commonwealth's chief representative in shipping affairs in London. His work was henceforth separate from that of the Transport Branch. The policy laid down was that the Government ships were to be used "to the best commercial advantage." The same

²⁹ Naval transport minutes, 8 Aug., 1916.

³⁰ The ten "Strath" ships were bought from Messrs. Burrell & Son, Glasgow; the *Ardanmhor* and the *Ardangorm* from Messrs. Clark & Service, Glasgow; the *Daltonhall* from Messrs. Furness, Withy & Co., West Hartlepool; the *Kirkoswald* from the Kyle Transport Company, Liverpool, and the *Vermont* from Gow, Harrison & Co., Glasgow.

freights and fares as were fixed by commercial shipping companies were to be charged, so that the taxpayer was not to be burdened "to provide cheap freights for private enterprise." It was intended to use them in the Australian coastal trade, or wherever it might be profitable to employ them. All monies earned by them were, by arrangement with the Commonwealth Bank, to be paid into the credit of the overdraft account, and money required for meeting the expenses of the fleet was paid out of that account, the overdraft being increased or reduced according to whether the earnings exceeded or were less than the expenses.³¹ The fleet was to be under the general control of the Prime Minister's Department; and such repairs as were necessary would be undertaken at the Commonwealth dockyards.³²

The policy thus laid down was inconsistent with the object for which the ships were bought—to carry Australian wheat; and the employment of some of them to earn freight rather than for purely war purposes was criticised in both Australia and England. No answer was vouchsafed to a Government supporter in the House of Representatives, who asked:

Were the vessels so purchased used to carry our produce to London? As a matter of fact, many of them were engaged in foreign trading to make a profit. The producers of Australia did not receive the benefit of that deal.³³

Mr. Fayle, in his brilliant—and generally fair and careful—work, *Seaborne Trade*,³⁴ writes of the fifteen vessels purchased by Mr. Hughes:

These ships, however . . . were not put into the wheat trade, but employed outside the war zone, chiefly in the Pacific services.

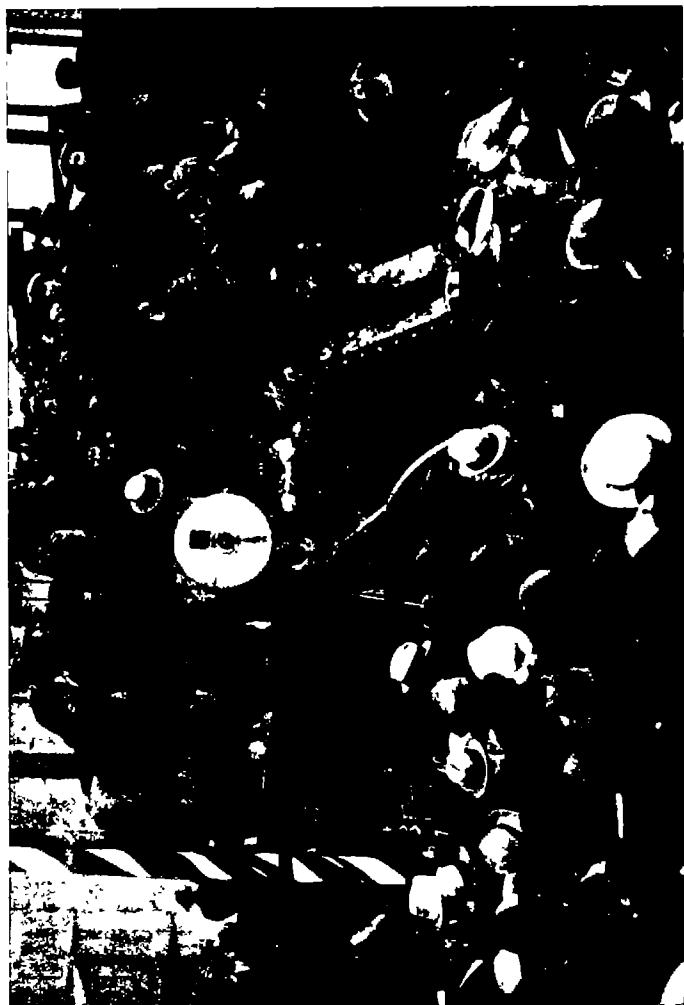
But, though representing a belief general among the controllers of British shipping, whose eager concentration on their immense tasks necessarily led them to disapprove of any effort not wholly devoted thereto, this statement is both inaccurate and unfair to the Australian Government, and to Mr. Larkin. Actually, every one of these steamers carried wheat, many of them regularly, and every one took Australian cargoes into the war zone. Two were sunk by torpedoes

³¹ The Commonwealth Treasurer, Sir John Forrest, explained the method of financing the transaction in his financial statement of 6 March, 1917; *Parliamentary Debates*, LXXXI, p. 11024.

³² See ministerial statement by Senator Russell, *Parliamentary Debates*, LXXIX, p. 8545.

³³ *Parliamentary Debates*, LXXXVIII, p. 11081 (Mr. J. A. Boyd).

³⁴ (Part of the British Official History of the War), Vol II, p. 341.

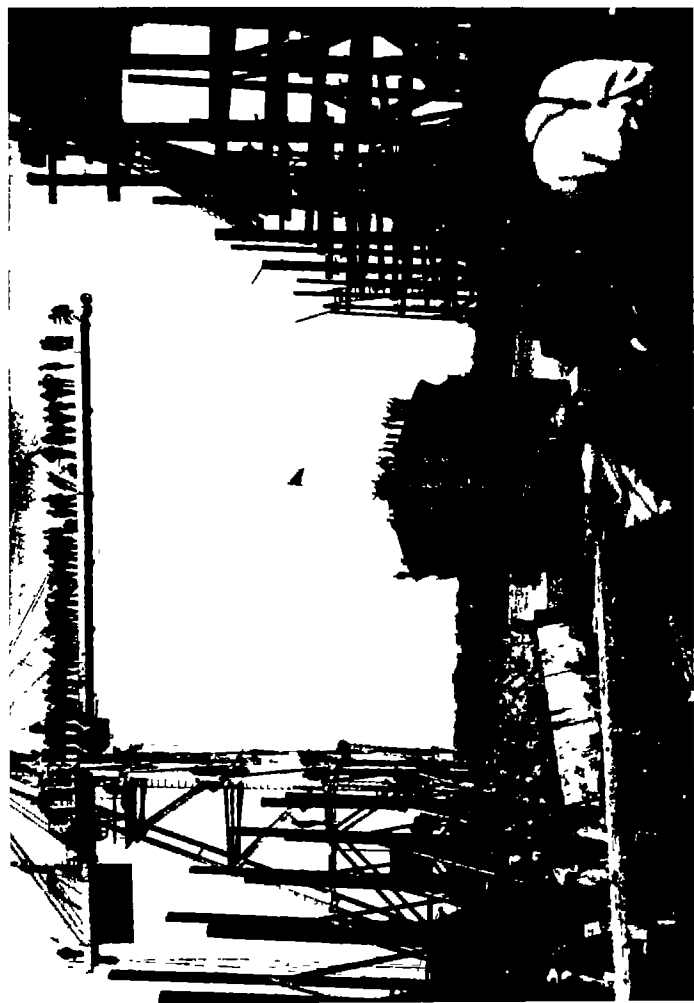


49 SIR WALTER DAVIDSON, GOVERNOR OF NEW SOUTH WALES, DRIVING THE FIRST RIVET IN THE KELL OF A COMMONWEALTH GOVERNMENT STEAMER, AT WILSH ISLAND, NEWCASTLE, 6TH SEPTEMBER, 1918

(See also Vol XII, plate 750)

Photo by The Sydney Mail

To face p 626.



50 LAUNCHING THE AUSTRALIAN FLEET COLLIER *Biloele*, AT COCKATOO ISLAND DOCKYARD,
SYDNEY, 10TH APRIL, 1919

Photo by "The Sydney Mail."

To face p 627.

(in the *Australdale* 27 lives were lost, and 2 in the *Australbush*), and three others were chased by submarines. Nor were the ex-German steamers employed in any safer trade. Of those of 4,000 tons and over, all that were suitable—six in number—were until 1917 used as transports, while twelve, also under the Transport Branch of the Navy Office, were engaged in the carriage of war-cargoes to Europe, and two were lent to the Indian Government for trooping. In March, 1918, when these transports and cargo steamers were transferred to the Commonwealth Line, they continued to serve in dangerous waters where precisely half of them either were attacked by submarines or were damaged by other instrumentalities, two being sunk by torpedoes. Every one constantly carried cargoes of wheat, wool, or concentrates for munitions, and those suitable for transports carried troops in addition. Some of them served as troopships for the British Government on the African coast. As for the smaller ex-enemy steamers, the *Bambra* (3,300 tons) was lent to the Western Australian Government (to replace the *Western Australia*, which was sent to England). The *Bulga* (1,449 tons) was employed by the Transport Branch largely in carrying concentrates on the Australian coast. The four sailing ships and two small steamers were chartered to Australian private owners—with certain restrictions to ensure their employment on necessary services—and to the Western Australian Government; three of them were eventually sunk by the enemy off the British coasts.

An interesting study of the employment of each ship of the Commonwealth Line—which is set out in detail in *Volume IX* of this series,³⁵ in order to illustrate the nature of war trade—will show the reader precisely to what extent their management was open to justifiable criticism. It should be remembered that shortly after Mr. Hughes purchased his ships the conditions were materially changed by the decisions of the British Government to leave Australian wheat, and of the Shipping Controller to withdraw every possible ship from the Australian and New Zealand trades. No government in the world could have submitted to this without making a strong effort to safeguard its necessary imports and exports. The Commonwealth ships assisted immensely towards this

³⁵ Vol IX, *The Royal Australian Navy*, pp. 502-28.

end, even when carrying occasional cargoes of wheat to San Francisco instead of to Europe; nor should it be assumed that their normal return cargoes from America, Europe, or India were not essential. What is true, however, is that the Australian authority allowed itself a liberty which, especially from 1917 onwards, the British Transport Department and Shipping Control did not—that of permitting commercial considerations to affect the employment of the ships, particularly on the return voyage. If there was a plum to be picked and no other pressing business on hand, the Commonwealth Line picked it, taking the freight available without regard to whether it was Australian or foreign. Probably less assistance was given to the Allies than might have been afforded, without prejudice to Australian interests, if the line had operated in complete accord with the principles that were forced upon the British authorities. Undoubtedly the reason was political—the purchase of ships had to be justified, and, if possible, the line had to pay.

And as freights soared high during the war years, and for some time after, profitable business was done for the first five years of the line's existence, as the following table shows:

	£
Profit to 30 June, 1917	327,335
" " 1918	576,164
" " 1919	1,160,034
" " 1920	137,959
" " 1921	102,949

But in 1922 the tide turned, and there was a loss of £1,171,569; in 1923 the loss mounted to £1,626,150, and the line was never again flattered with the hope of a profit. Only in one year (1924) was the loss less than half-a-million.

IV

On the 9th of May, 1917, when the devastating submarine campaign was at its height, Mr. Hughes telegraphed to the British Government urging consideration of a plan of using wooden ships to carry flour; local experiments, he said, indicated that, even with their holds flooded, these would be unsinkable and most of the flour would remain usable. The

Colonial Secretary replied that wooden ships possessed the disadvantage of being easily burnt, but he asked whether they could be built and engined in Australia with Australian or New Zealand material. Mr Hughes answered that ships with steel frames and wooden sheathing could be built, and, if satisfactory arrangements could be made with the trades unions concerned, the Australian Government proposed to push on with the work. Some material, such as boiler tubes, would, however, have to be imported. The Admiralty endorsed the scheme, and promised to help in this provision.

Mr. Hughes, who especially desired to promote shipbuilding in Australia, did not confine his plan to wooden ships. But, before venturing on any scheme, he desired, in view of the unrest prevailing in Australian labour circles, to obtain guarantees that the policy of the Government should not be paralysed by strikes. He therefore in June or July, 1917, conferred with representatives of the interested unions in New South Wales, Victoria, and South Australia. The Government was represented by the Prime Minister himself, and Mr. Cook, Minister for the Navy. Mr. Hughes made it clear to the Labour spokesmen that the Government would not proceed with its scheme unless suitable guarantees were given in regard to continuity of operations, dilution of labour, and the adoption of piece work under certain conditions. After discussion, the delegates agreed to recommend to their respective unions that the three conditions specified should be accepted for the period of the war and twelve months after. The Government agreed that a tribunal should be established to deal promptly with disputes and settle them without hindrance to the work in hand. This tribunal came into existence in March, 1918. It consisted of three members, one representing the employers, one the workmen, and a third, mutually agreed upon, who acted as chairman. In the course of its existence the tribunal gave approximately 300 decisions; 231 were in favour of the workmen, and 69 in favour of the employers.

Mr. H. W. Curchin,³⁶ manager of Messrs. J. W. Isherwood & Co., London, was appointed (27th September, 1917) chief

³⁶ H. W. Curchin, Esq. Chief Executive Officer, of C'wealth Govt. Shipbuilding, 1917/20. Shipbuilder and naval architect; of London, b. West Hartlepool, Durham, Eng., 11 Dec. 1875

executive officer of Commonwealth shipbuilding, and it was upon his advice that the kind of vessels was determined. In 1918 contracts were made for the building of the following ships in Australia: 4 steel steamers, each 5,500 tons dead weight capacity, Commonwealth Dockyard, Williamstown; 2 steel steamers, each 5,500 tons, Navy Department, Cockatoo Island, Sydney; 6 steel steamers, each 5,500 tons, State of New South Wales, Walsh Island, Newcastle; 4 steel steamers, each 5,500 tons, Walkers Limited, Maryborough, Queensland; 4 steel steamers, each 5,500 tons, Messrs. Poole & Steele, Ltd., Port Adelaide; 6 auxiliary wooden barquentines, each 2,600 tons, Messrs. Kidman & Mayoh, Sydney. Contracts were also made with the Sloan Shipyards Corporation, Olympia, U.S.A., for building 4 first-class wooden motor-ships, each 3,200 tons dead weight capacity; with the Patterson MacDonald Shipping Company, Seattle, U.S.A., for 10 wooden steamers, each 4,300 tons dead weight capacity; with Vickers Ltd., Great Britain, for 3 steel steamers, each 12,500 tons; and with Messrs. Beardmore Ltd., Great Britain, for 2 steel steamers, each 12,500 tons. Serious corruption on the part of an agent was afterwards unearthed by Mr. Crawford Vaughan, acting on behalf of the Commonwealth Government in America. Apart from this, the contracts for the building of the wooden ships were afterwards varied, and the contracts for two of the vessels of that kind let to Messrs. Kidman & Mayoh were cancelled, the contractors being paid £52,000 compensation on cancellation.⁸⁷

All the sectional parts—the framing—of the ships built in Australia were supplied by the steel works at Newcastle, and evidence taken by the parliamentary committee of public accounts showed that “the quality was excellent.” The plates for the steel ships were not manufactured in Australia, nor, at the outset, were they obtainable in Great Britain. Consequently, for the first six ships the plates were obtained from the United States. For the vessels constructed later, plates were supplied by British manufacturers, though it was complained that they arrived in comparatively small quantities and at uncertain intervals. “Men skilled in ship-building,”

⁸⁷ Report of the Joint Committee of Public Accounts, *Commonwealth Parliamentary Papers, 1920-21, Vol. V, pp. 7 et seq.*

the committee reported, "were very scarce in Australia at the commencement of this undertaking, and a considerable proportion of dockyard hands had to learn the work as they went along. But witnesses were unanimous as to the aptitude shown by the workmen employed, and the quick way in which they became expert. Inspectors and supervisors with experience in British yards unhesitatingly affirmed the quality of the work turned out by the Australians, although as regards quantity it was stated more than once during the enquiry that there was room for improvement."

The opportunity for entering upon the construction of ships in Australia was a favourable one, because the cost of ship-building in Great Britain had risen to three times the pre-war rate. For ships that were once built for £10 a ton, British builders had been getting £35 a ton. The Broken Hill Proprietary Company was able to supply from Newcastle sections and angles at from £17 to £19 a ton. Adding the freights to oversea prices for similar materials, the public accounts committee calculated that buying from the local producers gave an advantage of several pounds a ton.

There was no secret about the ship-building policy of the Government. That the Prime Minister had been in conference with representatives of trade unions to secure continuity of work; that a manager had been engaged; that contracts had been let with Australian, British, and American firms—all this, with ample details and discussions from various points of view, had been chronicled in the newspapers before a formal announcement was made to Parliament.³⁸ Parliament was in session when news and newspaper articles upon the subject were published. A formal ministerial statement was made in both Houses on the 25th of June, 1919,³⁹ but everybody who had read the newspapers was by that time fully familiar with what had been done. There was, therefore, little more than a vigorous firing of blank cartridge in the debate initiated in the House of Representatives on July 30th, to protest against "the entering into contracts for the purchase of ships in England by the

³⁸ See, for example, *The Argus*, 13 and 23 June, 13, 19 and 20 July, and 16 Nov., 1917.

³⁹ *Parliamentary Debates*, Vol. LXXXVIII, p. 10039.

Government without parliamentary authority.”⁴⁰ The Acting Attorney-General, Mr. Groom, was able to show that already three vessels built at Cockatoo Island had been launched, and that work upon the other vessels for which contracts had been made was proceeding rapidly. The Cabinet, having determined upon its policy, took the responsibility for giving effect to it. Protests made at the end of July, 1919, against things determined upon and about which the public was well informed two years before, limped lamely after the event.

The later history of the Commonwealth in its capacity as shipowner lies beyond the scope of this volume; but the narrative may be rounded off by the brief statement of a few facts. From 1925 political opinion hardened in favour of the Government's cutting its loss and selling the ships at the best price obtainable. The Bruce-Page Government hesitated, and the Labour party pronounced unequivocally against sale. But in 1927 the committee of public accounts, after a prolonged investigation, reported that the benefits accruing to the country from the continuance of the line were more than outweighed by the heavy losses, which “it must be reluctantly admitted are likely to continue.” A majority of the committee therefore recommended that the line of steamers “should not be retained as a direct governmental activity.” In 1928 the Government concluded a contract of sale with the White Star Line for £1,900,000, a sum only £100,000 less than the estimate of a fair price given by the chairman of the Commonwealth Shipping Board, Mr. Larkin. A return furnished to the Commonwealth Parliament on the 26th of October, 1932, stated that up to the previous 30th of April the total loss on the Commonwealth Line amounted to £4,012,226. When this is set against the indirect benefit—the possession by the Government, during the war and the difficult years that followed it, of a lever for influencing freight and ensuring shipping space—the price may not be judged too high.

⁴⁰ *Ibid.*, p. 11078.

CHAPTER XIX

PRICES AND PRICE FIXING¹

A RISE in the prices of commodities was one of the unavoidable consequences of the war. It was not sufficiently marked to form a subject for political criticism in 1914 while the average price index number for the whole year showed an advance of no more than 5.6 per cent. on that for the preceding year. But towards the close of the year prices increased fairly rapidly, "owing to the double calamity of drought and war."² By May, 1915, bread in Melbourne was 50 per cent. dearer than it had been in July, 1914, flour was 86.9 per cent. dearer, butter 62.5 per cent. dearer, and nearly all other articles of food and household necessity showed heavy percentage increases. Within a year from the commencement of the war the prices of some commodities had doubled. Thus, taking the index number of the wholesale price of meat in Melbourne at 1,000 in July, 1914, the index number of the same food in August, 1915, was 2,210. In the same period the index number of agricultural produce rose from 1,000 to 2,339; dairy produce from 1,000 to 1,577, groceries from 1,000 to 1,146. Over all groups of commodities the increase of prices in Melbourne within the year was from 1,000 to 1,629.³

Prices varied in different parts of the Commonwealth at different times; commodities which were dear at one place at one time would be cheap at another place at the same time. Climatic influences made differences even in the prices of commodities which were not directly affected by the weather. Good, timely rains might cheapen groceries; drought conditions might make wire nails dearer. The Commonwealth

¹ Price fixing was administered by the Department of Trade and Customs, but the papers relating to this subject are not available. They were, according to an official memorandum, "destroyed in 1926 under Ministerial sanction."

² *Bureau of Statistics Labour Bulletin*, No. 8, March, 1915, p. 240.

³ *Labour Bulletin* No. 10, October, 1915, p. 148.

Statistician, Mr. G. H. Knibbs, went to great trouble to obtain accurate estimates of the cost of living in all parts of Australia, and the tabulated statements and graphs which he published in the quarterly *Bulletins* from 1914 to 1919 give as close an analysis as could be obtained of prices prevailing at stated periods. Five towns were chosen from each State, for the purpose of the earlier calculations, but it was found that the results were not satisfactory because prices varied between towns within States to a greater degree than had been expected. In the later *Bulletins*, therefore, details were given for 49 towns in New South Wales, 40 in Victoria, 24 in Queensland, 12 in South Australia, 14 in Western Australia, and 11 in Tasmania. The figures show that during the war period the average cost of food and groceries throughout the Commonwealth increased by over 71 per cent. and house rents increased by more than 10 per cent. Over the whole period Victoria was the cheapest State in which to live, and New South Wales was the dearest, the figures for them being respectively 955 and 1,052. The following table gives a conspectus of the variations in price levels throughout the Commonwealth for the years 1915-1919, commodities being grouped under eight headings, and the month before the declaration of war being taken as the base.

	Metals and Coal.	Textiles, Leather, &c.	Agricul- tural Produce	Dairy Produce	Groceries	Meat.	Building Mate- rials.	Chem- icals.	All Groups.
July 1914	1000	1000	1000	1000	1000	1000	1000	1000	1000
Year 1915	1166	934	2024	1272	1098	1502	1164	1490	1406
" 1916	1539	1307	1130	1235	1266	1551	1361	1716	1318
" 1917	1919	1841	1084	1181	1302	1480	1722	2141	1456
" 1918	2197	2324	1351	1210	1378	1469	2448	3085	1695
" 1919	1930	2169	1858	1373	1469	1448	2602	2827	1801

The average weekly rate of wage paid to male adult workers throughout the Commonwealth advanced from 55s. 3d. in June, 1914, to 74s. 11d. in December, 1919, an increase of 19s. 8d.; and the average wage of female workers advanced during the same period from 27s. 2d. to 37s. 1d., an increase of 9s. 11d.

The Parliamentary debates on prices generated much heat and occasionally a little light; but the currents which produced most heat seemed to be equipped to avoid illumination. Thus, the declaration that "the man who is prepared to starve the families of our soldiers at the front is one of the biggest traitors in the country,"⁴ though in itself quite undeniably true, assumed too readily that the rise in the price of bread was due to millers and bakers. Bread did not rise because of the evil designs of avaricious traders. The average price of wheat, which had been 3s. 9d. a bushel in 1913, was 4s. 1d. in 1914, 5s. 7d. in 1915, 4s. 10d. in 1916, 4s. 9d. in 1917, 4s. 9d. in 1918, and 5s. 1½d. in 1919. The price of flour was 173s. 9d. a ton in 1913, 178s. 1½d. in 1914, 235s. 10d. in 1915, 226s. 9d. in 1916, 215s. in 1917, 215s. in 1918, and 221s. 9½d. in 1919. The weekly wages of men engaged in the baking trade ranged from 42s. to 84s. in 1915, from 45s. to 84s. in 1917, from 50s. to 92s. in 1918, and from 55s. to 92s. in 1919.⁵ The wages of men engaged in the various branches of the milling trade rose in similar proportions. The wheat farmers of Australia were fortunate in securing excellent prices for their produce, and the workmen concerned with milling and baking were justifiably paid the higher rates necessitated by the fall in the value—that is, the purchasing power—of money during the war years; but the consequent increase in the cost of producing bread did not convert those who sold bread into traitors who were prepared to starve the families of the soldiers serving at the front.

Bread and flour were not, however, the only food-stuffs about which questions were raised in Parliament. A wide range of the necessities of life, and of things which contribute to its amenities, incurred enquiry by the representatives of the people. There was a disposition to attribute all rises in prices to "profiteering," and to disregard the fall in the purchasing power of money, the rise in wages, and, in some instances, scarcity. The prices of the following articles therefore, extensive in scope and as various in values, came under parliamentary scrutiny during the war period: apples,

⁴ *Parliamentary Debates*, Vol. LXXVII, p. 3632.

⁵ The figures are taken from the *Labour Bulletins* for the years mentioned.

bread, boots and shoes, butter, second-hand bags, bacon, corn-sacks, cement, coffins, coal, cotton goods, sewing cotton, chaff, cream, drapery, eggs, firewood, fertilisers, flour, fish, flannel, galvanised iron, gloves, groceries, hats, honey, hay, iron-mongery, jams, lard, leather, linen, matches, milk, meat, methylated spirit, kerosene, onions, oats, oatmeal, olive oil, petrol, potatoes, phosphorus, rice, rabbits, sago, caustic soda, salt, sugar, timber, tea, tin, tobacco, vegetables, woollens, wire netting, and fencing wire. In addition, the prices of the following articles were at various times the subject of complaint in newspapers, or were investigated by the Prices Adjustment Board: arrowroot, arsenic, biscuits, bricks and tiles, brown coal, cream of tartar, cocoa, coke, flax, broken glass, glass bottles, glue, glucose, linseed oil, pineapples, shellac, soap, syrup and treacle, sulphate of ammonia, soda bicarbonate, tallow, tar, and white lead.

II

The control of prices was one of the matters dealt with at the conference of State and Federal ministers called by the Cook Government shortly after the outbreak of war,⁶ and both the Federal and most of the State Governments took action with a view to such control. The Federal Government on the 31st of August, 1914, appointed the already mentioned⁷ Royal Commission to enquire into and report upon "the supply of food-stuffs and other necessities of life required by and available for the people of Australia during the war," and the amounts available, or likely to be available, for export. The Commissioners were Mr. Alfred Deakin; Mr. Dugald Thomson,⁸ formerly a member of Parliament and minister, a man of large commercial experience; and the Commonwealth Statistician, Mr. Knibbs. The commission reported on October 30th, after the Fisher Government had come into office, having in the meantime held 36 meetings and examined a number of witnesses. It had also made a number of recommendations to the Government. But the commission had no

⁶ See Chapter I, p. 27.

⁷ See Chapter XIV, p. 519.

⁸ Hon. D. Thomson, M.L.A., N. S. Wales, 1894/1901; member of C'wealth House of Reps., 1901/10; Minister for Home Affairs, 1904/5. Merchant; of Sydney; b. London, 28 Dec., 1848. Died 27 Nov., 1922

executive capacity. It could recommend, but the decision as to what action, if any, should be taken upon any recommendation rested entirely with the Government. The War Precautions Act was not passed till the 29th of October, 1914, and that act did not confer any powers upon the commission. It was no part of the function of the commission to fix prices, nor was it clear at that time that the Commonwealth Government had power to fix them. The powers of the commission were exclusively confined to enquiring and making recommendations; and criticisms which were made on the ground that it had not initiated price-fixing disregarded the limited degree of authority which it was capable of exercising.

The new Fisher Government came to the conclusion that the commission was not fulfilling the purposes which the needs of the time required. Mr. Tudor, the Minister for Trade and Customs, in reply to a member of the House of Representatives, complained that "they sat for some months and did nothing,"⁹ and the acting Minister for External Affairs, Mr. Mahon, wrote to Mr. Deakin (October 21st) that "in view of the information available to the Government through departmental channels, Ministers consider that further investigations by your Commission are not at present necessary." After further correspondence, Mr. Mahon informed Mr. Deakin (November 18th) that "the desire is that the Commission shall at once terminate." *The Commonwealth Gazette* of December 5th contained a proclamation notifying that the members of the commission had resigned on November 20th.¹⁰

There was doubt in the minds of some members of the Fisher Government whether the Commonwealth had power to regulate prices. The Minister for Trade and Customs, in reply to a member who urged action, said, "In my opinion, under the Constitution as it now stands, we cannot do all the honourable member says we can."¹¹ Eminent constitutional authorities outside Parliament shared that opinion. But the Attorney-General, Mr. Hughes, brushed aside these

⁹ *Parliamentary Debates*, LXXVII, p. 3632.

¹⁰ The report of the commission, and the correspondence between Mr. Deakin and Mr. Mahon, are printed in the *Commonwealth Parliamentary Papers*, 1914-17, Vol. V, pp. 143-192.

¹¹ *Parliamentary Debates*, LXXVII, p. 3660.

objections with the declaration that "the defence powers of the Commonwealth were most elastic; he would be a bold man indeed who would set a limit to them, especially at such a juncture as this." The Cabinet came to the conclusion that the War Precautions Act was sufficiently wide to enable the Commonwealth to establish machinery for price fixing, and, by the War Precautions Prices Adjustment Regulation, proclaimed on 24th March, 1916, a Commonwealth Prices Adjustment Board of five members was established. The board was clothed with power to take evidence on oath, to require the production of documents, books, and papers, and to enter upon any premises and inspect any documents, books, papers, or any stocks of flour or bread. The Governor-General might on the recommendation of the board determine the maximum prices which might be charged for flour or bread sold in any proclaimed area, and the conditions under which such commodities should be sold, and any person who in a proclaimed area sold or offered for sale flour or bread at a greater price than the maximum price fixed, should be guilty of an offence. The areas proclaimed under the regulations were those within certain distances from the general post offices in Sydney, Newcastle, Melbourne, Brisbane, Adelaide, Perth, Hobart, and Launceston. The members of the board, appointed as from 27th March, 1916, were Mr. J. H. Catts, M.P. (chairman), Senator J. Barnes,¹² Mr. W. M. Fleming, M.P., Mr. H. Sinclair, M.P.,¹³ and Mr. G. E. Yates, M.P.¹⁴ Whereas the personnel of the previous commission had been selected for the more or less scientific investigation of the subject, it was noted at the time that the new board was purely political; and some protest was raised against the regulation of buying and selling being entrusted to a body so composed.

Meanwhile action had been attempted in several States. At the conference held in Melbourne in August, 1914, it had

¹² Hon. J. Barnes. Member of C'wealth Senate, 1913/19, 1922/35; Asst. Minister for Works & Railways, 1929/31; Asst. Postmaster-General, 1931. Of Ballarat, Vic.; b. Hamilton, S. Aust., 17 July, 1868. Died 31 Jan., 1938.

¹³ H. Sinclair, Esq. M.H.R., 1906/19. Butter factory manager; of Ipswich, Q'land, and North Fitzroy, Vic.; b. Cambewarra, N.S.W., 6 June, 1863. Died 3 Aug., 1926.

¹⁴ G. E. Yates, Esq. M.H.R., 1914/19, 1922/31. Of Prospect, S. Aust.; b. Bradley, Staffs., Eng., 14 May, 1871. (Served as a gunner in A.I.F., 1916/18.)

been agreed that uniform legislation should be passed by the State parliaments for the purpose of controlling the prices of food-stuffs. Bills were accordingly introduced in all States. But they were amended to such an extent that the principle of uniformity was destroyed. In Victoria the Legislative Council adopted an amendment which would have made the working of the Prices of Goods Bill difficult if not impossible. The Legislative Assembly refused to accept the amendment. The bill was twice returned to the Council, which after a month of controversy did not insist upon its amendment. In Tasmania the Legislative Council rejected the Control of Necessaries of Life Bill and the Food-stuffs Commission Bill, and no legislation was passed in that State. In Queensland, under the Control of Trade Act, prices were fixed for bread, groceries, meat, patent medicines, and tobacco; but after a few months the regulated price lists were rescinded on the ground that trade might be permitted to pursue its normal course, and that there was no reason for thinking that stocks were being accumulated for the purpose of raising prices. In South Australia the commission appointed under the Prices Regulation Act concluded, after investigation, that no case had been made out for official interference with the ordinary processes of trade. In Victoria the Minister of Agriculture, Mr. Hagelthorn, pointed out that after a trial of the experiment of price fixing the ministry came to the conclusion "that it was too dangerous to deal with any considerable number of commodities," and that "price-fixing was unnecessary."¹⁵ After a few months all the State acts, though not repealed, were practically moribund. The matter of price fixing was left to the Federal Prices Adjustment Board. A critical observer of the State legislation commented:

Though the Acts have not been productive in so far as the actual fixing of prices is concerned, it is commonly believed that their general moral effect in restraining exploitation has been substantial. This view is to some extent borne out by the fact that, on the average, prices of food and groceries have not advanced in Australia to nearly so great an extent as in other countries, although the gravity of the situation has been accentuated in this country by one of the most severe droughts ever experienced. On the other hand the opinion of many competent observers is that the whole effect of the regulation of prices, as carried out by a set of different uncoordinated authorities, has been pernicious,

¹⁵ Statement published in *The Argus*, 22 July, 1916.

inasmuch as it has prevented operations in the world's markets to secure supplies for Australia at an early stage when prices were comparatively low.¹⁶

The Prices Adjustment Board functioned from the 28th of March to the 10th of August, 1916, when, as a member (Mr. Sinclair) alleged, it was "rather ruthlessly booted out of existence."¹⁷ It claimed to have been a diligent body, having held 65 meetings, made 45 recommendations for price fixing to the Government, enquired into 3,000 bakery businesses and 300 flour mills, fixed prices at 3,150 centres, and dealt with 2,500 police reports. One of its officers calculated that it had saved the people £803,782 by fixing the prices of bread, flour, bran, and pollard. But details were not furnished as to how this figure was determined, nor was account taken of the expenditure in travelling and other incidental expenses, and the cost of its "capable and expensive staff."¹⁸ In one instance the board made the mistake of fixing the price of bread higher than the price actually charged by bakers. This occurred at Hobart and Launceston. When attention was directed to the fact, the chairman replied that the fault lay with the consumers of bread in those towns. They had been invited by advertisement to attend and give evidence, but did not. "If," he said, "prices are fixed on evidence which does not fairly represent the local facts, the consumers are partly responsible."¹⁹ On the other hand, the case showed that the local bakers without official compulsion were charging a lower price for bread than the Prices Adjustment Board deemed fair and reasonable; and the consumers did not make complaint to the board because they had no complaint to make.

"Ruthlessly booted out of existence" is a somewhat violent description of what occurred. The board, in fact, resigned because its members concluded that they had been virtually superseded by the action of the Commonwealth Government in establishing a new authority, which came to be known as the Necessary Commodities Commission. On the 20th of July, 1916, the Government appointed the following persons commissioners to fix prices for the States to which

¹⁶ *The Round Table*, June, 1915, p. 685.

¹⁷ *Parliamentary Debates*, LXXXIII, p. 2474.

¹⁸ Mr. Sinclair's phrase, *The Argus*, 26 Aug., 1916.

¹⁹ *The Argus*, 14 July, 1916.

they were allotted, namely: New South Wales, Mr. V. Ackerman;²⁰ Victoria, Mr. W. H. Clarke;²¹ Queensland, Mr. R. Sumner;²² South Australia, Mr. D. R. Davidson;²³ Tasmania, Mr. G. F. Martin;²⁴ Western Australia, Mr. G. Rae.²⁵ On October 23rd Mr. R. J. Evans²⁶ was appointed a commissioner for the Northern Territory, and on December 8th Mr. Reuben Ovington²⁷ was appointed an additional commissioner for Victoria, Mr. Clarke acting as Chief Prices Commissioner.²⁸ Power was given to these commissioners to fix the prices of "food-stuffs, necessary commodities, and services." Food-stuffs were defined as "any goods declared by the Minister by notice in the *Gazette* to be foodstuffs for the purposes of these Regulations." Necessary commodities were defined as "goods declared by the Minister by notice in the *Gazette* to be necessary commodities." Services were defined as "transport services declared by the Minister by notice in the *Gazette* to be services."²⁹

Upon the appointment of this commission the Prices Adjustment Board held a special meeting, and, on August 10th, handed in its resignation, which was at once accepted. The Government had not formally asked for the resignation, but, inasmuch as it had requested the board to endorse whatever

²⁰ V. Ackerman, Esq. Prices Commissioner, N. S. Wales, 1916/18. Barrister and solicitor; of Sydney and Hill End, N.S.W.; b. Cook's River, N.S.W., 3 Nov., 1875. (Mr. Ackerman resigned in 1918 and was succeeded as Prices Commissioner by Mr. R. W. King.)

²¹ W. H. Clarke, Esq. Chief Supervisor of Commerce, Dept. of Trade and Customs, 1914; Prices Commissioner, Victoria, 1916; Chief Prices Commissioner, Australia, 1917; General manager, Carlton & United Breweries, Ltd., Melbourne, since 1918. Of Kew, Vic.; b. Sydney, 23 Aug., 1870.

²² R. Sumner, Esq. Prices Commissioner, Q'land, 1916/19.

²³ D. R. Davidson, Esq. Prices Commissioner, S. Aust., 1916/19. Public servant; of Adelaide.

²⁴ G. F. Martin, Esq. M.H.A., Tasmania, 1912/16; Prices Commissioner, Tasmania, 1916/19, and Asst. Chief Commissioner, 1918/19. Orchardist and farmer; of Legerwood, Tas., b. New Norfolk, Tas., June, 1876.

²⁵ G. Rae, Esq. President, Perth Chamber of Commerce, 1906/7; Prices Commissioner, W. Aust., 1916/20. Company manager; of Claremont, W. Aust.; b. Edinburgh, Scotland, 6 Aug., 1859.

²⁶ R. J. Evans, Esq. Prices Commissioner, Northern Territory, 1916/19.

²⁷ R. Ovington, Esq. Secretary, Necessary Commodities Commission, N. S. Wales, 1914/16; Prices Commissioner, Victoria, 1917/18; Chief Inspector, Repatriation Dept., 1918/19. Public servant; of Sydney; b. Durham, Eng., 21 Sept., 1882.

²⁸ Mr. Clarke subsequently resigned, his place being taken on 6 Sept., 1917, by Mr. Percy Whitton.

²⁹ *Commonwealth Gazette*, 20 July, 1916.

recommendations might be made by the commissioners,³⁰ the board reasonably considered that it no longer had any functions to perform. "Our resignations took place," said Mr. Catts, "because the Government issued regulations making it absolutely impossible for our work to be carried on."³¹

The previously doubtful question whether the Government had the power under the Commonwealth constitution to fix prices was determined by the High Court in the case *Farey v. Burvett*. W. A. Farey was a baker carrying on business in Glenferrie-road, Hawthorn, a suburb of Melbourne within the proclaimed ten-mile radius of the general post office. A. S. Burvett was an inspector in the Commonwealth service. The fixed price of bread when two loaves were bought at Farey's shop, on 20th April, 1916, was 6½d. for a 4-lb. loaf, or 3½d. for a 2-lb. one; but the order provided that "when 4-lb. or over of bread are purchased at the same time, the selling price shall be based on that of a 4-lb. loaf." It would therefore have been easy for Farey or any other baker to obtain 7d. for 4 lb. of bread by the simple process of declining to sell 4 lb. at one time, requiring the customer to buy a 2-lb. loaf, go out of the shop, and return in a few moments for the second 2-lb. loaf. But Farey did not resort to this or any other technical device. He desired to test the constitutional right of the Commonwealth Government. Consequently his counsel did not dispute the facts, but challenged the authority. The police magistrate who heard the evidence in the court of first instance confessed that he had grave doubts, but resolved to inflict a fine, knowing that, whatever way he decided, an appeal would be made to the High Court. That court, by a majority decision (Chief Justice Griffith and Justices Barton, Isaacs,³² Higgins and Powers³³ being of opinion that Farey's appeal should be

³⁰ Mr. Sinclair's statement. *The Argus*, 28 Aug., published extracts from a memorandum which had been presented to the Government by the chairman of the board, explaining its point of view.

³¹ *Parliamentary Debates*, LXXXVII, p. 8455.

³² Rt. Hon. Sir Isaac Isaacs, G.C.B., G.C.M.G. M.L.A., Victoria, 1892/1901; member of C'wealth House of Reps., 1901/6; Attorney-General, 1905/6. Justice of High Court of Australia, 1906/31; Acting Chief Justice, 1927, 1929; Chief Justice, 1930/31. Governor-General, 1931/36. B. Melbourne, 6 Aug., 1855.

³³ Hon. Sir Charles Powers, K.C.M.G. M.L.A., Q'land, 1888/96; Crown Solicitor, Q'land, 1899/1903, Australia, 1903/13; Justice of High Court of Aust., 1913/29; Deputy President, Court of Conciliation and Arbitration 1913/21, President, 1921/26. Of Brisbane and Melbourne, b. Brisbane, 3 March, 1853. Died 24 April, 1939.

dismissed; Justices Gavan Duffy³⁴ and Rich dissenting) held that the sections of the Constitution upon which the War Precautions Act was based, included the power, during a state of war, to fix within the limits of locality the highest price which, during the continuance of the war, might be charged for bread.³⁵

The ground of the decision substantially was that the power to make laws with respect to defence covers everything which may contribute to victory in war; that the responsibility for defence policy lies not with the court, but with the parliament and the executive, and the court will not ask: "Is this wise? Is this necessary?" Those are, according to this judgment, political questions. Unless it can be shown that the Commonwealth act—or a regulation made under it—which is challenged, cannot possibly affect the result of the war, the court will not interfere. In the particular case, the court was not prepared to hold that the price of bread might not have social and psychological reactions which might affect the result of the war, and accordingly upheld the regulation fixing the price.

This wide interpretation of the defence power gave the Government confidence that it had a free hand, during the war, so far as constitutional power went, in the regulation of social, commercial, and industrial conditions. The confidence was justified; despite the wide scope of the War Precautions Regulations, none of them was ever held by the court to be invalid.

The Federal Government now confidently gave authority to the Necessary Commodities Commission to fix the prices of "food-stuffs, necessary commodities and services;" and the new commission set about its task of fighting the rise of prices with the vigour and zeal of a St. George doing battle with the dragon. *The Commonwealth Gazette* swelled with proclamations adding fresh articles to the list of goods, and the prices fixed for them, which came under the watchful eye of authority. Notices such as the ensuing imparted an unwanted fragrance and flavour to the ordinarily vapid pages: "The following shall be a food-stuff for the purposes of the

³⁴ Rt. Hon. Sir Frank Gavan Duffy, K.C.M.G. Justice of High Court of Australia, 1913/35; Chief Justice, 1931/35. Of Toorak, Vic.; b. Dublin, 29 Feb., 1852. Died, 29 July, 1936

³⁵ *Commonwealth Law Reports*, 21, p. 433.

War Precautions (Prices) Regulations, namely, Lemon Peel." As Christmas approached, plum puddings steamed their spice-laden aroma into the *Gazette*. But all the efforts of the commissioners could not prevent the pot from boiling over. Plum puddings rose; they refused to be frowned down. The *Gazette* of September 27th proclaimed that the maximum price which might be charged for plum puddings in the proclaimed area comprising the County of Cumberland and the County of Northumberland, in New South Wales, should be at the rate of 1s. 3½d. per pound net, retail. But a month later, October 25th, the *Gazette* signified that plum puddings could be sold for 1s. 4d. per pound; and that continued to be the price till after the season when it is the special privilege of plum puddings to play havoc with weak digestions.

It was sometimes complained that the commissioners showed an aggressive fondness for the principle of the adage, "Take care of the pence and the pounds will take care of themselves." During the period when Mr. Massy Greene was Acting Minister for Trade and Customs, with the additional title of Minister in Charge of Price Fixing, he was criticised in Parliament for refusing to sanction the prosecution of traders who, it was alleged, had charged a halfpenny too much for specified articles. Prosecutions, he said, had been recommended "for the most trifling breaches of the regulations. The amount in question was frequently 1d., but more often ½d.;" and he admitted that he had issued instructions that prosecutions were not to take place on such trifling grounds.³⁶ Another instance related to a regulation gazetted for fixing the price of a certain infants' food. The wholesale price was fixed at so much per dozen tins. A trader was called upon to deliver a number of broken packages. He followed the usual custom of the trade in adding a small percentage per tin for a broken package. A prosecution was recommended, which the Minister refused to sanction, as it was within his knowledge that the custom of the trade had been followed, and the regulation did not contemplate the breaking of wholesale packages.

Any thoughtful critic, however, will realise that there was great difficulty in avoiding some such incidents. If the

³⁶ *Parliamentary Debates*, LXXXVII, p. 8442.

commissioners overlooked deliberate breaches of the regulations, where a penny or a half-penny was overcharged, where were they to draw the line? Their method was to warn a trader who had overcharged, and, provided that he observed the regulations thereafter, no action was taken. On the other hand it was contended by the suburban shopkeepers, against whom most of the charges were made, that the prices fixed by authority left them with too small a margin of profit for the conduct of business. In some instances it paid a shopkeeper to run the risk of a fine rather than to continue to sell at a price which was not remunerative. Instances were mentioned in Parliament of traders in Sydney suburbs whose prices had increased since the official price lists were proclaimed; and the same might have been said of other capital cities and large provincial towns. In principle, the price fixing experiment was akin to the "Law of the Maximum" enforced during the period of Robespierre's dictatorship in the French Revolution; but, whereas in Paris in 1794 the guillotine made short shrift of some thousands of persons who offended by charging more for goods than the fixed schedule permitted, suburban police courts in Australia inflicted fines for charges in excess of the prices prescribed by the Australian price fixing commissioners.⁸⁷ Some public men thought that the penalties were not sufficiently severe. A member of parliament related that he had travelled in the train to Queensland with three or four much perturbed graziers, who said that they would be ruined if the Government fixed the price of meat at that time. "They wanted a little time to get out of the obligations they had contracted." The narrator said that "I told them that if it rested with me I would give them four or five years to consider the matter in a place where they would not be disturbed. That did not console them very much."⁸⁸

The general policy of the commissioners has been stated by one of them as follows: "They were men who knew perfectly well that during the war and for some time subsequently prices were certain to be on the rise, and the only

⁸⁷ Out of 12,000 persons condemned to death in Paris in 1794, 7,545 were peasants, artisans and shopkeepers. (Pierre Gaxotte, *La Revolution Francaise*, Vol. II, p. 128.)

⁸⁸ *Parliamentary Debates*, LXXXV, p. 5746.

thing they could do was to see that *profits*, as distinct from *prices* were not unduly high That the existence of such a commission acted as a check on those who may have been inclined to take advantage of the disturbed state of the markets, there can be no doubt." With this very moderate claim probably few students will disagree.

The commissioners were also responsible for advising the ministry concerning the need for embargoes on scarce commodities; for the purchase and distribution of cornsacks for the farmers in 1918, when it appeared likely that they would be unobtainable through the usual channels; and for the purchase of rabbit skins for the British Government in the same year. Both the latter operations were conducted on the basis of prices which were estimated as being fair, but a profit resulted to the government—£250,000 on the rabbit skins, and £17,500 on the cornsacks. "We were criticised as profiteers," said one of the commissioners afterwards. "Doubtless, if we had shown a loss, we should have been criticised as inefficient."

III

One important food-stuff which did not come under the control of the price fixing commissioners was sugar. This industry constituted a problem apart, being supported both in peace and war by the Federal Government as a means of populating a large part of the tropical east coast lands with Australians and Europeans. Any cost involved has always been shouldered mainly from considerations of defence. Prior to 1915 the industry was protected by a duty on imports; its control had been virtually in the hands of the Colonial Sugar Refining Company Limited, and the production of raw sugar was kept within the requirements of local consumption. The deficiency, which occurred in most years, was covered by the importation of raw sugar. The wholesale price was fixed by the company, and based on the world's market values. In 1914 and early in 1915 the raw-sugar producing mills received £15 1s. 9d. per ton of raw sugar.

The devastation caused by war in beet sugar producing areas on the continent of Europe resulted in reduction of output, and a sharp rise in price in the world's markets. In order to prevent sugar from being exported from Australia

with a view of gaining advantage from the high price overseas, an embargo was imposed by the Commonwealth Government upon its export, the import of sugar also being prohibited; and the Commonwealth Government assumed full control of the industry, this control including the purchase of raw sugar, its transport to the refineries, its manufacture into refined products, and the sale of the refined products. Thus the Australian producer was prohibited from obtaining the high prices available in world markets, and the Federal Government determined the price to be paid to the millowners for their output of raw sugar and the prices at which refined products were to be made available to the trade. The prices paid by the Commonwealth Government for raw sugar were as follows:—

1915-1916	..	..	£18 per ton
1917-1918-1919	..	..	£21 „

The assumption of control was effected by an agreement between the Commonwealth and Queensland Governments, whereby the Queensland Government first acquired the Queensland raw sugar, and then sold it to the Commonwealth Government at the agreed price. The principal objects of the Commonwealth control were:—

- (a) to ensure adequate supplies of sugar to all Australian consumers during the war period by preventing the Australian sugar producers from exporting their sugar so as to profit by the increasingly higher prices obtaining in other countries;
- (b) to protect Australian consumers from possible price exploitation by the local producers on account of rising values occasioned by the war;
- (c) to protect those engaged in the sugar industry from the operations of food prices boards.

The refining companies by agreement with the Commonwealth Government carried out the handling of raw sugar and the distribution of refined supplies.³⁹

After the war period prices overseas rose further and rapidly, and the Queensland producer in 1920, 1921 and 1922 received £30 6s. 8d. per ton for his raw product. In May, 1920, the price of raw sugar in the world's markets reached £146 per ton, but by December there was a rapid fall to £25

³⁹ On the Commonwealth's side the operation of the agreement was supervised by a Sugar Controller, Colonel W. J. N. Oldershaw, C.B.E., V.D., until 1923, and afterwards by a Sugar Board and by the Customs Department. (Colonel Oldershaw, who died on 13 Oct., 1926, was of Melbourne.)

per ton. A condition made by Mr. Hughes, when fixing the price at £30 6s. 8d. for the years 1920, 1921 and 1922, was that the industry should produce sufficient sugar for Australia's requirements. The immediate result of these factors added to the tariff-preference given by the British Government to sugar grown within the Empire was that production out-distanced consumption, and large quantities of sugar—in some years nearly half the product—have since been exported at the world's market price which is now much below the Australian price.

In 1923 the Commonwealth Government passed over the arrangements for the purchase and handling of the raw sugar and the responsibility for the distribution of refined supplies to the Queensland Government, who in turn entered into agreements with the refining companies to act as its agents in these activities, and similar arrangements still obtain. The system of control is of particular interest, the whole industry being regulated, from cane fields to consumer, the rates for labour and transport, as well as the prices to growers, refiners, and consumers, being fixed by statutory authority.

IV

The Inter-State Commission was brought into existence in 1913 under section 101 of the Commonwealth Constitution, which provided that:

There shall be an Inter-State Commission, with such powers of adjudication and administration as the Parliament deems necessary for the execution and maintenance, within the Commonwealth, of the provisions of this Constitution relating to trade and commerce, and of all laws made thereunder.

The commission consisted of Mr. A. B. Piddington,⁴⁰ (chief commissioner), Mr. George Swinburne, and Mr. Nicholas Lockyer.⁴¹ Section 92 of the Constitution provided that trade and commerce among the States, whether by means of internal carriage or ocean navigation, "shall be absolutely free."

⁴⁰ A. B. Piddington, Esq. M.L.A., N. S. Wales. 1895/98, Chief Commissioner, Inter-State Commission, 1913/20; Industrial Commissioner, N.S.W., 1926/27. President, Industrial Commission, 1927/32. Barrister; of Sydney, b. Bathurst, N.S.W.; 9 Sept., 1862.

⁴¹ Major Sir Nicholas Lockyer, C.B.E., I.S.O. Comptroller-General of Customs, 1910/13; member of Inter-State Commission, 1913/20; Comptroller of Repatriation Dept., 1917/18, Hon. Comptroller, A.I.F. Canteens Funds Trust, 1915/25; Chairman, A.I.F. Canteens Funds Trust and Sir Samuel McCaughey Bequest, 1925/33. Of Toorak, Vic; b. Sydney, 6 Oct., 1865. Died, 26 Aug., 1933.

In December, 1914, the Parliament of New South Wales passed the Wheat Acquisition Act, which, in view of a drought which had prevailed in a large part of the State, and the expected shortage of a major food material, empowered "His Majesty"—i.e., the Government—to acquire any wheat grown in New South Wales, and to pay for it at a price fixed by the Government. The price which the Government determined to pay was 5s. per bushel. The drought had not seriously affected one part of the State, Riverina, where there was a fairly good harvest. The market price for wheat in Victoria, shortly after the passing of the act, was 5s. 6d. per bushel. Riverina farmers protested that the Government was robbing them of the true value of their product. Angry meetings were held in nearly all the towns in the wheat-growing areas of the State. Funds were raised by subscription to bring the case before the Inter-State Commission, which, it was believed, had power to prohibit the New South Wales Government from contravening the constitutional requirement that trade and commerce between the States should be "absolutely free." The tone of the resolutions passed by the meetings of farmers may be gauged from that unanimously adopted at Molong on the 14th of January, 1915:

That this meeting of wheat-growers strongly protests against the Government's action in seizing the wheat, the product of our labour, at a price less than its market value, such course being, in our opinion, deliberate premeditated robbery.⁴²

Several calculations were made as to the loss to the wheat growers entailed by the act of the Government. Mr. Patten, M.P., at a meeting at Albury, said that the difference between Government price and the legitimate market price in Australia of the wheat represented a loss of £750,000.⁴³ Another calculation, based upon a difference of 1s. 6d. a bushel for 14,000,000 bushels, estimated the loss at £1,000,000.⁴⁴

Strange incidents occurred. A small group of farmers on the Glen Innes road, about 25 miles from Inverell, had been in the habit of selling their wheat every year to the mill at Glen Innes. One morning in January, 1915, a farmer

⁴² *The Sydney Morning Herald*, 19 Jan., 1915. A large number of similar resolutions were passed at meetings reported in the same journal during Dec., 1914 and Jan. and Feb., 1915.

⁴³ *The Sydney Morning Herald*, 28 Jan., 1915.

⁴⁴ *Ibid.*, 2 Dec., 1914.

who wanted money immediately, sent his son with a load of wheat to deliver it to the mill and bring back the cash. A sergeant of police stopped the boy and told him that he would not be allowed to sell the wheat at Glen Innes as his father's farm was in the Inverell district. The boy was compelled to return home with the wheat and without the money.⁴⁵ A Riverina farmer had contracted with a Victorian miller to sell his wheat for 6s. 3d. a bushel. He was not permitted to carry out the contract, but was ordered to sell the wheat to the Government at 5s., and cart it to a railway siding 25 miles away. Another waggon-load of Riverina wheat was crossing a bridge over the Murray. A policeman stopped the waggon, turned it back, and impounded the wheat. Some growers evaded the vigilance of the New South Wales police by conveying wheat across the river in boats at night. The angry farmers sent a deputation to Melbourne to bring pressure to bear upon the Commonwealth Government. The Attorney-General, Mr. Hughes, pinned his faith to the section of the Constitution which guaranteed that trade and commerce between States should be free. But evidently a doubt flashed across his mind when, during a debate in the House of Representatives on the vexed question, he interrupted the indignant oratory of a farmers' representative with the query: "Do you contend that it is beyond the power of a State to do what the New South Wales Government has done?" There was, indeed, a clash of principles. True, the Constitution required trade and commerce to be "absolutely free," but a State was sovereign within its own territory even in respect to the property of its citizens. Was that sovereignty overridden by the trade and commerce section of the Constitution, or did that section limit the sovereignty of a State?

The Inter-State Commission seemed to be the suitable body to settle the question, and to the commission, accordingly, it was remitted. On 20th January, 1915, the Commonwealth Government made formal application for an order to prohibit the New South Wales Government, and the Inspector-General of Police of that State, from preventing the exportation of wheat to other States. The commission examined a number of witnesses, and heard argument by counsel. On February

⁴⁵ *Ibid.*, 8 Jan., 1915.

22nd it issued the order asked for by the Commonwealth. But the decision was not unanimous. The two lay commissioners, Messrs. Swinburne and Lockyer, were of opinion that the State of New South Wales had contravened the Constitution by compulsorily acquiring wheat which was the subject of contracts for interstate sale, and was in the course of interstate transport; but the legal member, Mr. Piddington, held that the State act was valid, because "the power, in case of necessity, of acquiring food for the civilian population, and seed for future cultivation, by the expropriation of private ownership, is an essential power of self-government, springing from a fundamental law of society," and because that power had not been withdrawn from the States by the Federal Constitution.⁴⁶

When, however, the case went on appeal to the High Court of Australia, the order of the Inter-State Commission was set aside on two separate grounds: first, that the order was wrong in law, because the State act did not violate the provision of Section 92 of the Constitution that "trade commerce and intercourse among the States shall be absolutely free;" and, next, that the commission had no power to make such an order, because it "is not in any relevant sense a court, and it cannot therefore exercise the powers of restraint which are vested in a court."⁴⁷

The New South Wales Wheat Acquisition Act was an instance of price fixing within a State affecting a particular commodity, and it stands alone in State legislation during the war period as exhibiting the power of a State, notwithstanding the Commonwealth Constitution, to "commandeer" the property of its citizens. The fact was not disputed that the New South Wales farmers were deprived of the opportunity of securing full market value for their wheat. It was said that the 5s. a bushel paid by the State Government for f.a.q. wheat was a good price, higher than that ruling at the time in the United States and Great Britain. That is true;

⁴⁶ *Commonwealth Parliamentary Papers, 1914-15, No. 69, F.5242, p. 29.*

⁴⁷ *N.S.W. v. Commonwealth, Commonwealth Law Reports, Vol. 20, p. 54.* It may be noted that the Judicial Committee of the Privy Council, in the case of *James v. Cowan*, 47 C.L.R. 386, dealing with another problem of restriction of interstate trade, holds that, "if the real object of arming the Minister with the power of acquisition is to enable him to place restrictions on interstate commerce," the State legislation is invalid. This is substantially the view taken by the lay commissioners and overruled by the High Court.

but, when the price of wheat rose in the United States to nearly 3 dollars a bushel in 1917, the farmers were not deprived of the benefit of the increase.⁴⁸ Wheat production is not only subject to the erratic fluctuations of the markets, but, peculiarly in Australia, to violent, and sometimes devastating, seasonal conditions. Years of good harvests and prices balance bad harvests and prices. The action of the State Government was popular in industrial electorates, but farmers who had battled with drought in ruinous years not unnaturally felt ill-treated by what they termed "the Government grab" when the promise of recompense came.

The judgment of the High Court, by denying to the Inter-State Commission the power which it was previously believed to possess, deprived it of much of its importance. Mr. Swinburne resigned in 1917 because, as he wrote to a member of the Government, "the Commission with its powers depleted became merely a very expensive permanent enquiry board without much reason for existence, and for such I had no inclination."⁴⁹ But, though shorn of mandatory authority, the commission was still available for investigating problems relating to trade, commerce, and tariffs; and in August, 1917, the Commonwealth Government referred to it the following questions:

(1) Causes of the increase of prices of the staple commodities consumed by the great mass of the people;

(2) the extent to which the increased costs of raw material and of labour are responsible for higher prices.

(3) what effect, if any, the export of portion of our products oversea has upon local prices; and

(4) the extent to which the increase of prices is due to exploitation of the public through the operation of rings, combines, and manipulation of the market.

In pursuit of these enquiries the Commission produced a series of reports dealing with bread, meat, farm products, groceries, boots and shoes, fruit and vegetables, clothing, and rents.⁵⁰ These reports, presented in a well-arranged form, precise in statement and based upon tested evidence, give the

⁴⁸ See the graph in Surface, *The Grain Trade during the World War*, p. 336

⁴⁹ See Sugden and Eggleston's biography, *George Swinburne*, pp 351-2.

⁵⁰ Reports of Inter-State Commission, *Commonwealth Parliamentary Papers* 1917-19, Vol. V, pp. 77-502

best account of price fixing to be found in any documents of the period. They elucidate the problem of price increases by analysing the causes in each instance, and they show how erroneous were the views commonly expressed in political speeches and writings as to why the cost of living mounted ever higher despite official efforts to pinion the wings of prices.

V

The word "profiteer" during the war consolidated its position in the already rich vocabulary of English. There must have been something like what the word signifies in earlier times, but our forefathers never found *le mot juste* for it. The great *Oxford Dictionary*, ploughing its majestic way through the vast ocean of English speech, arrived at the letter "P" in 1909, but the stout volume which contains all the words commencing with that consonant does not know a "profiteer." It acquired the dignity of parliamentary usage in the Queensland "Profiteering Prevention Act of 1920," and it appears in Professor H. C. Wyld's *Universal Dictionary of the English Language*, published in 1932, with the following definition:

One who makes an exorbitant or unjustifiable profit out of a business or trade by taking advantage of a shortage of supply or of the necessities of consumers.

Profiteers, during the war, were persons who were supposed to have made such inordinate profits; and the new-born word, appearing first in English speech, soon found acceptance in Australia. Doubtless it was employed by newspapers before it shone in parliamentary debates, where, indeed, it was late in making an appearance. The earlier discussions on price fixing were conducted without the assistance of the new word; and the first use of it that has been observed in the Commonwealth parliamentary reports occurs in a speech by Mr. Heitmann,⁵¹ the member for Kalgoorlie, on the 17th of April, 1918, when he urged the Government "to give more attention to the prevention of profiteering."⁵² Thenceforth it was a popular feature in public speeches and writings, and "profiteering," as a fresh form of heinousness, was denounced in innumerable orations.

⁵¹ E. E. Heitmann, Esq. M.L.A., W. Aust., 1904/13, 1914/17; member of C'wealth House of Reps., 1917/19. B. Bendigo, Vic., 3 June, 1878 (Seived in A.I.F., 1918.)

⁵² *Parliamentary Debates*, LXXXIV, 4 3994

The reports of the Inter-State Commission do not support the conclusion, at which many speakers and writers arrived, that there was "profiteering" on a large scale, or much of it at all, in Australia during the war. Different causes are attributed by the commission for increases of the prices of different commodities. Thus, butter prices increased owing to drought and a rise in wages for production, marketing, and distribution; but, said the commission, "there is no exploitation." Cheese increased in price as the result of the increased cost of dairy cows, labour, and plant; but "there is no combination or manipulation of market in the industry, nor any exploitation of the public." Boots and shoes increased in price owing to the increased cost of hides, leather, and accessories; but, although there were boot manufacturers' associations in the trade, "there is no evidence that the increase in prices is due to any formal combined action on the part of these associations." The cause of the increased price of bread was found in 1917 to be "due chiefly to the rise in the price of flour; hardly at all to increases in wages or other material of the baking trade."⁵³ As to meat, the commission was satisfied that, except in New South Wales, the supply was not under the control of any association or combine, either in regard to the supply of stock on the hoof for market, or amongst wholesale buyers of stock, or amongst wholesale or retail butchers. In New South Wales there did exist a combination of wholesalers on whose operations in controlling the market, tending to increase prices, the commission commented severely. Elsewhere the chief causes of the rise in the price of meat were "the heavy losses of stock during the drought of 1914-15, and the consequent shortage of cattle and sheep;" the operation of a meat embargo in Queensland; and the increased cost of production, which graziers and farmers had to sustain. Under the Queensland Meat Supply for Imperial Uses Act, 1914, passed at the instance of the Imperial Government at the outbreak of the war, the whole of the stock in Queensland was declared to be held by the State Government, and could be from time to time acquired; and

⁵³ In reports dated 9 Feb., 1918, however, the Commission says, in regard to Sydney and Brisbane: "Increased cost of flour, increases in wages, and the introduction of day baking, account for the price of bread being higher now than before the war."

by a subsequent arrangement the Queensland Government agreed to sell the whole exportable surplus of meat at an agreed price. The result was that other States were deprived of their normal supply of meat from Queensland, and the shortage necessarily affected prices. Again, as to bacon, the commission found that the increased price was due to the higher cost of pigs; but "there is no evidence of exploitation." As to groceries, the principal cause of increased prices was the increase in the cost of materials.

In none of these instances, except that of the wholesale butchers in New South Wales, did the Inter-State Commission, after exhaustive enquiry, find that there was anything like "profiteering." The increased cost of clothing, however, was found to be "directly attributable to the war and to the fact that local manufacturers, wholesale and retail distributors, have to a large extent taken advantage of abnormal conditions for the purpose of increasing their profits." In this trade certain other facts contributed to the increase, such as cessation or limitation of supply of piece goods, scarcity of raw materials, restriction of shipping facilities, increased freight, insurance and exchange, increased customs duties, and "increased prices charged and excessive profits made by Australian manufacturers of woollen piece goods." While pointing to these causes, the commission added that "there is no evidence of the existence of any combination of manufacturers or distributors for the purpose of fixing prices or manipulating the market."

A doubt was likewise expressed as to a section of the trade in fruit and vegetables. While there was no evidence of the existence of combines which caused prices to rise, either in regard to fruit or vegetables, in New South Wales again, which drew its supplies of potatoes and onions largely from other States, there was "evidence of fixation of prices by a body of merchants," and, although the precise effect of their operations could not be stated, "there is no doubt that they often cause prices to be needlessly high."

Rents were investigated by the Inter-State Commission in Sydney, Melbourne, and Brisbane. In Sydney the evidence showed that rents "had not sensibly risen in the city since 1914." In Melbourne, "in spite of the competition for

houses," increases in rent were "neither so numerous nor so great as might have been expected." In Brisbane, "there were no complaints made by any witness that rents had gone up or were unreasonable." Generally it appeared that rents had risen from 10 to 15 per cent., "but, while some individual instances of oppressive action were brought under notice, there was also evidence that in many cases no increases have been demanded."

A feature of the evidence affecting all products is that it affords no indication that tradesmen—in order to meet complaints of rising prices and in view of their own inability to carry on business at former rates—resorted to the device of adulteration. The newspapers reported a few instances of dairymen being prosecuted for watering milk, but scarcely more than might have been found at other times. Price fixing in other countries has been undoubtedly accompanied by general adulteration, and there was a range of commodities in which it might perhaps have been expected that harassed tradesmen would feel driven to lowering quality. The confectioner who could not, if he wished, save $\frac{1}{2}$ d. a pound on the cost of producing plum pudding, would have exhibited inferior fertility of resource. But there is every reason to believe that the Australian producers and tradesmen treated their customers honestly, and that, in spite of many loose accusations, no general charge of adulteration, where it was possible, any more than of "profiteering," can be sustained against them.

It was sometimes alleged that the denunciation of "profiteering" was no better than a political manoeuvre. Opposition members, said a speaker in the House of Representatives, had begun a campaign which was "nothing but a party game, to make the most of existing conditions."⁵⁴ But the sincerity of the feeling about rising prices admits of little doubt; the trouble was that the true cause was in hardly any instance recognised or indicated. Making due allowance for particular causes in regard to particular commodities, and for the existence of certain combinations tending to increase prices in New South Wales, as shown by the reports of the Inter State Commission, the general and dominant cause of the rise of prices in Australia during the war was not wilful and

⁵⁴ *Parliamentary Debates, LXXXVIII, p. 10629.*

unpatriotic action by traders, or nefarious operations of combines and trade agreements. It occurred because the inflation of the currency depreciated the purchasing power of money. Before the war, people had become accustomed to a fairly stable currency; not entirely stable, since the value of money has never at any time in any country been rigidly fixed. But, during the war, money was suddenly and largely depreciated in value, and the consequences thereof were misunderstood. Money is the measuring rod by which the market value of commodities is determined. If the measuring rod by which cloth was sold had been increased so that the yard-stick was extended from 36 inches to 50, it would have been recognised at once that the dealer in cloth could not sell 50 inches of cloth for the same price as he had sold 36. But, although the money measuring-rod was increased in length, the trader was expected to sell his goods at the same price as before, and increases were bitterly denounced as "profiteering." The Commonwealth Government, like other governments, used the note issue as part of the machinery for expanding credit, in order to finance the war and the ordinary processes of administration. The note issue was increased from £9,573,738 in June, 1914, to £32,128,302 in June, 1915, £44,609,546 in June, 1916, £47,201,564 in June, 1917, £52,535,959 in June, 1918, and £55,567,423 in June, 1919. The consequence was, as stated by Professor D. B. Copland,⁵⁵ that "this expansion of the currency largely explains the great increase in prices in Australia during the war. In a word, the methods of war finance produced a serious inflation of the currency, leading to increases in prices."⁵⁶ An economist quotes the remark made by Dr. Johnson when he was informed that in Skye twenty eggs might be bought for a penny: "Sir, I do not gather from this that eggs are plenty in your miserable island, but that pence are few." If the pence in Skye had been multiplied sixfold, eggs would have increased in price, and perhaps the islanders would have appointed a prices adjustment board; which, however, would not have been able to prevent eggs from becoming dearer, any more than prices in Australia were prevented from rising in the period 1914-1919.

⁵⁵ D. B. Copland, Esq., C.M.G., Professor of Commerce, and Dean of the Faculty, University of Melbourne, since 1924. Of Canterbury, Vic.; b. Timaru, N.Z., 24 Feb., 1894.

⁵⁶ Copland, *Currency and Prices in Australia*, p. 14

CHAPTER XX

LABOUR QUESTIONS AND THE INDUSTRIAL FERMENT

TRADE unionism as a political force in Australia, as distinguished from its purely industrial significance, dates from the decade preceding the establishment of the Commonwealth. In its earlier phases unionism was concerned with matters like the promotion of factory legislation, the recognition of the eight hours day, the exclusion of Chinese competition in the labour market, and the maintenance of good wages and fair working conditions. The unions in their infancy were in the nature of friendly societies with an industrial direction, formed among the same class of people as built up the great friendly societies which, established in Great Britain, were naturally implanted in a new country where British institutions flourished. A movement for accelerating the objects of unionism made its appearance in the political life of the States between 1880 and 1890, though in that decade the trade unions did not officially take steps to secure the direct representation of the working classes, as such, in Parliament. Constituencies wherein there were unquestionably majorities of electors who lived by manual labour preferred to be represented by men who came to the front as exponents of the ordinary party issues which then dominated public attention. In Victoria, for instance, during the severe struggles for initiating the policy of protection, and the fierce fights between the Legislative Council and the Assembly, a popular protagonist like Graham Berry, who possessed no qualification for nomination as the champion of trade union interests, represented electorates which a few generations later were inviolable strongholds of the Labour party.

Between 1890 and 1900 trade union politics definitely crystallised into a party shape. The unions had been growing in numbers and membership. Men ambitious for political distinction arose in their ranks. The feeling gained acceptance that the parliamentary arena was the battle-ground whereon questions vitally affecting the interests of Labour should be settled. Legislation was demanded of a stiffer character than State parliaments had hitherto been disposed to pass. Small groups of Labour members secured election, skilfully used their opportunities, and made their influence felt in the shaping of policy and legislation. But in only one State before Federation did a Labour government attain office. In Queensland

in December, 1899, Mr. Anderson Dawson succeeded in placing a Labour government on the Treasury bench, but it remained there only five days and never commanded a majority. An official history of Queensland, indeed, does not mention Mr. Anderson Dawson apart from a passing reference to "the Dawson Labour Ministry."¹

The Labour party made its great advance, first in acquiring political influence, soon in grasping political power, after the achievement of Federation. Four years after the Commonwealth came into being, the first Labour administration, that of Mr. J. C. Watson, took office. The harnessing of the political vehicle to the wide-spread and ably-organised trade union movement gave to the Federal Labour party an advantage over any other political party. Trade unionism became a formidable piece of political as well as of industrial machinery. Labour members of parliament depended upon the unions for their nomination as parliamentary candidates, and the unions expected that their representatives would exert themselves to pass industrial and social legislation in accordance with principles and "objectives" specified by Labour conferences.

The rapid advance made by the trade unions in membership and perfection of organisation from 1900 onwards was continued unchecked during the war years. The first year in which the labour and industrial branch of the Commonwealth Bureau of Census and Statistics was able to obtain dependable figures of the strength of unionism throughout Australia was 1912, when the total membership of the unions was 433,224.² Every year from 1914 showed a very large increase, as the following table indicates:

		Number of Members of Unions ³
1914	..	.. 523,271
1915	..	.. 528,031
1916	..	.. 546,556
1917	..	.. 564,187
1918	..	.. 581,755
1919	..	.. 627,685
1920	..	.. 684,450

¹ *Our First Half Century: Jubilee Memorial Volume*, published by the authority of the Government of Queensland (1909)

² *Commonwealth Year Book*, No 6 (1913), p 1015

³ *Labour and Industrial Branch Reports*, No 11 (Oct. 1921).

That the membership of the Australian trade unions should have increased by 104,314 between 1914 and 1919 testifies to the vigour of the organisation and the prosperity of the trades and callings to which the new members pertained; and it is also a striking fact that this increase was occurring most busily at a time of political and industrial ferment associated with the conscription campaigns and the great strike.

In the opening months of the war, when enthusiasm was warm and predictions were freely made that victory would come to the Allies within a few weeks, the first 53,000 enlistments comprised 23,000 members of unions; that is, 43.2 per cent. of those who enlisted were at that time registered unionists. This information was collected from the secretaries of all the trade unions in the Commonwealth for the quarterly number of the Commonwealth *Labour Bulletin* published in March, 1915. Later issues of the *Bulletin* did not furnish similar figures, brought up-to-date.* But the man-power of the A.I.F. was derived mainly from the same strata of the population as furnished recruits to the unions. An analysis of the occupations of those who embarked as members of the Australian Imperial Force and the Australian Naval and Military Expeditionary Force shows that the total of 334,591 was made up as follows:

		A.I.F.		A.N. & M.E.F.
Professional	.. ..	15,719	.. ..	160
Clerical	.. ..	24,346	.. ..	192
Tradesmen	.. ..	112,452	.. ..	1,323
Labourers	.. ..	99,252	.. ..	664
Country callings	.. ..	57,430	.. ..	105
Seafaring	.. ..	6,562	.. ..	83
Miscellaneous	.. ..	14,122	.. ..	107
Nurses	.. ..	2,063	.. ..	11
		<hr/>		<hr/>
		331,946		2,645

The total number of "tradesmen" and "labourers" in these tables—213,691—made 63.86 of the whole. These were men

* The Commonwealth Statistician supplies the information: "The investigation concerning Trade Unionists and others in the A.I.F. was undertaken as the result of a political controversy, but was not continued. I do not think there is anything further available on the subject."

who earned their living by their labour and their skill in handicrafts. It should be noted that the removal from Australia of over 200,000 of what may conveniently be called the trade union class necessarily affected the political complexion of that portion of the same class which remained in Australia. Further, the great leap in membership of the trade unions of 45,830 in 1918-19 and 56,865 in 1919-20—that year showing the largest accession of strength in any one year in the history of Australian unionism—was due to the men of the A.I.F. returning to Australia at the end of the war.⁶ As soon as the rifles were handed in and the war-worn uniforms with the honoured colour patches were laid aside, these companions in arms returned immediately to the associations of industrial life.

II

The Federal Arbitration Court had been established nine years when the war commenced, and was by that time regarded as a fixed part of the industrial mechanism of Australia. The passing of the first of the series of Acts to give effect to paragraph xxxv of Section 51 of the Constitution—which gave the Federal Parliament power to make laws with respect to “Conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State”—wrecked three ministries; and the Act of 1904 itself, the several amending statutes, and the constitutional provision whence they emanated, provided more problems of law for the High Court than any other matter in the history of the Commonwealth. The first president of the Arbitration Court was Mr. Justice O'Connor, of the High Court bench, who undertook the duty somewhat unwillingly, being better fitted, by his legal training and intellectual equipment, for wrestling with the problems of law which occupied the High Court, than for dealing with the special class of cases with which the Arbitration Court was concerned. His patient and sympathetic nature, however, gained the deep respect of parties who came before him, though he was less inclined to give the wide construction to the powers of the court which emanated from his distinguished successor. In

⁶ Trade union membership increased from 581,755 in 1918 to 684,450 in 1920.

1906, Mr Henry Bournes Higgins—who had been a member of the Federal convention, was at this time a member of the House of Representatives, and held a high place among Australian lawyers—accepted a seat on the High Court bench, with the understanding that he should apply himself principally to Arbitration Court business. He became president of the court in succession to Mr. Justice O'Connor in 1907, and occupied the position till 1921, from that date returning to the High Court in its general and appellate jurisdiction.

Mr. Justice Higgins thoroughly believed in the mission of the Arbitration Court as mediator between capital and labour. His monograph, *A New Province for Law and Order*, founded on his experience and reflecting his convictions, proclaimed his strong sense of the importance of the court's functions; and his practice as a judge was to extend the scope of its powers to the utmost extent permitted by the Constitution. A decision given by him in the Builders' Labourers' case, 1913, was of far-reaching influence during the war, because it enabled a dispute which broke out in one State to be brought within the purview of the Federal Arbitration Court by the simple process of creating a more or less fictitious "sympathetic" dispute in another State. Mr. Justice Higgins held that inasmuch as wages prescribed in different States, by local wages boards, were "glaringly inconsistent as applied to men doing exactly the same work," the Federal Arbitration Court ought to step in, because "for the Court to refuse to adjudicate would be to endanger seriously the peaceful working" of a great industry. The decision in this case came on appeal before the High Court. Chief Justice Griffith held that the words of the Constitution, "industrial disputes extending beyond the limits of any one State," meant that the dispute must be of such a nature as to indicate a real danger of dislocation of industry if it were not settled. "Unfortunately," he said, "attempts have sometimes been made to take advantage of this provision of the Constitution for the purpose of creating so-called disputes, not for the real purpose of preserving industrial peace but for the purpose of taking the control of industry out of the hands of employers. In my opinion such attempts are a fraud upon the Constitution, and ought to be so treated.

Such machine-made disputes are not industrial disputes at all within the meaning of the Constitution." Mr. Justice Barton concurred. But four other judges, JJ. Isaacs, Gavan Duffy, Powers, and Rich, held the contrary view, that an industrial dispute extending beyond the limits of any one State was a dispute which at a given moment existed in more than one State, no matter how the dispute was occasioned.⁶ "The majority decision in this case," writes a commentator, "greatly helped unions to create inter-state disputes for the purpose of trying to obtain from the Federal Court better rates of pay and conditions of work than were obtainable under State awards and determinations."⁷ Many of the disputes which are officially classified as "sympathetic" during the war period were brought about in the manner described

The Conciliation and Arbitration Court, in adjusting awards to different industries at various times, acted upon the principle that the foundation of a wages system must be a "basic," or, as it was sometimes called, a "living," wage. Mr. Justice Higgins ruled that the standard for a "basic wage" was one which was sufficient to provide "the normal needs of the average employee regarded as a human being living in a civilised community." At the time when the Great War commenced, the basic wage for unskilled labourers in Melbourne, Sydney, or Brisbane was fixed by the court at about 8s. 6d. a day.⁸ That rate was based upon the cost of living in those cities in the first half of 1914. But the cost of living necessarily increased through the lowering of the purchasing power of money; and necessities of life which could have been bought for £1 in 1911 cost £1 17s. 10d. in 1920, despite the machinery for price fixing which governments set up. It is not remarkable, therefore, that "during the years of the war and the immediate years which followed. the Court was confronted with grave problems in wage fixation."⁹ Articles which had been readily admitted among the necessities of life before the war, became, for Arbitration Court purposes, "luxuries" during the war, because prices had placed them beyond the reach of the average human being

⁶ *Commonwealth Law Reports*, 1914, Vol 18, pp 224 et seq.

⁷ G Anderson, *Fixation of Wages in Australia*, p 130

⁸ *Ibid*, p. 232 et seq

⁹ *Ibid.*, p 233

living in a civilised community. Pork went up 100 per cent.; consequently, said Mr. Justice Powers, as long as other meats were available at less cost, he would consider pork a luxury in fixing a living wage, "because people could live just as comfortably, and be just as capable of performing their work, on other meats and foods available to the ordinary public."¹⁰

The Arbitration Court had acted on the principle of awarding extra remuneration for skill, and for "such exceptional bodily or other qualities" as a particular occupation necessarily demanded. But during the war, while the court did not depart from this principle to the extent of abolishing the "margin for skill," it did not, when called upon to increase the basic wage because of the increase of prices, increase the margin for skill in the same proportion. It merely added the old margin for skill to the augmented basic wage. Thus, in the Merchant Service Guild case, in 1916, the court declined to increase the amount of the margin for skill affecting the pay of marine officers, on the ground that, in a time of violent disturbance of prices brought about by the war, it was not desirable to push the principle to an extreme. Not till the war was over, in 1920, did the court grant to the marine officers, and to others to whom a margin for skill had been awarded, increases sufficient to bring their pay up to the level of the increased basic wage plus the margin for skill increased in the same proportion. Thus, in the Engineers' case, 1921, the margin for skill for engine fitters was doubled—from 3s. to 6s. a day—because the basic wage of 14s. had been doubled since 1907.¹¹

The Arbitration Court had power to grant preference to unionists—that is, to provide in any award that preference in employment should be given to members of unions over non-unionists. The court had generally exercised its discretion in this respect only in special cases, chiefly cases where it was considered that there was reason for believing that employers had unjustifiably discriminated against unionists. Otherwise, as Mr. Justice Higgins stated the practice, he had "consistently opposed the granting of preference to men because they are

¹⁰ *Ibid*, p. 236

¹¹ See several other instances in Anderson, *Fixation of Wages*, pp. 302-4.

members of a particular union; for it is well that the employer should be free to select the men whom he considers to be the best for the job."

Although the average weekly wage increased during the war period—by about 12 per cent. for adult male workers, and 8 per cent. for females—this increase never kept pace with the decline in the purchasing power of money and the consequent rise in the prices of commodities. Prices leapt; wages lagged behind; so that the workman found that he had bigger bills to meet, but relatively less means with which to pay them. Industrial discontent ensued. The causes of the many disputes and strikes which were a disagreeable feature of the war years were not entirely economic; the intense bitterness of feeling evoked during the two conscription campaigns had violent psychological reactions, as shown clearly by the very largely increased number of industrial disputes during 1916 and 1917 in comparison with preceding years. Nevertheless, in forming a judgment upon the serious dislocation of industrial processes produced by the 2,405 disputes which occurred from 1914 to 1919, the fact cannot be overlooked that men and women, even those in full employment were "feeling the pinch," because they found that their earnings, increased as they were by a few shillings a week from time to time, did not "go as far" as they had previously done. "Real wages" diminished though nominal wages put more coins into their pockets.

The following table shows the number of industrial disputes from 1913 to 1920, with the number of persons directly affected and the estimated loss in wages :¹²

	Number of Disputes	Number of work-people involved	Working days lost	Estimated loss of wages
1913	208	50,283	623,528	£287,739
1914	337	71,049	1,090,395	551,228
1915	358	81,202	583,225	299,633
1916	508	170,683	1,678,930	967,604
1917	444	173,970	4,509,658	2,594,808
1918	298	56,439	580,853	372,334
1919	460	157,591	6,308,226	3,951,936
1920	554	155,566	1,872,065	1,223,716

¹² *Labour and Industrial Reports*, No 11 (Oct. 1921).

The causes of the disputes are analysed by the labour and industrial branch of the Statistician's Department under seven headings, as follows:

	Wage Ques- tions	Hours of Labour	Trade Union- ism (chiefly against employ- ment of non-un- ionists)	Objec- tion to Employ- ment of Parti- cular Persons	Work- ing Condi- tions	Sympa- thetic	Other Causes	Totals
1913	77	10	13	44	51	5	8	208
1914	120	14	24	83	72	3	21	337
1915	129	9	35	76	76	6	27	358
1916	228	21	22	83	90	20	44	508
1917	123	10	58	90	81	57	25	444
1918	127	12	26	92	34	1	6	298
1919	201	9	48	118	54	6	24	460
1920	200	25	47	135	106	2	39	454

Disputes were more prevalent in New South Wales than in any other part of the Commonwealth. They accounted for 70 per cent. of the total in 1914, 76 per cent. in 1915, 66 per cent. in 1916, 67 per cent. in 1917, 46 per cent. in 1918, and 58 per cent. in 1919. All the chief coal-fields lie in that State, and the prevalency of strikes was officially attributed "almost entirely to disputes in connection with coal mining."

The analysis cited above makes no reference to causes attributable directly or indirectly to the war. Disputes had occurred before the war which were assigned to the same causes in approximately the same proportions. But an examination of contemporary accounts of some disputes discloses a closer connection with war incidents, war politics, and, above all, war psychology, than appears from the official analysis. In these instances, while the attribution was correct as an explanation for statistical purposes, there were nevertheless other influences inducing a state of feeling which made men more prone to take offence and "down tools" than probably they would otherwise have done. The sudden leap in the number of work-people involved in disputes from 81,000 in 1915, to 170,000 in 1916 and 173,000 in 1917, was not due solely to the customary causes such as dissatisfaction with

wages, objection to the employment of particular persons, and working conditions, but more largely to that spirit of unrest, that disturbance of mental equilibrium—particularly through the needs of army recruiting—which so signally characterised those years.

Objection to working with Germans was also commonly expressed during the first two years of the war, and the anti-German feeling was so strong then that little pressure upon employers was needed to induce them to dismiss enemy aliens, even in cases where faithful service had been given for many years. The sentiment of the time was adverse to the continued employment of Germans. Some journals conducted a campaign against them, demanding their dismissal from all posts controlled by public bodies. In some instances it might be alleged that the desire to oust a German was not free from the design of securing his position for another individual; but this motive cannot be generally admitted. Thus, a German who had been lecturer in his own language and literature in the University of Melbourne was removed in response to an outcry against subjecting students to teaching from an enemy alien. Furious quarrels between Australian and German workmen necessarily produced disharmony which, in the interest of efficiency, it was the desire of employers to eliminate. There were nine recorded instances of industrial disputes leading to stoppages of work because employees objected to working with Germans. Six of these occurred at New South Wales coal mines; a seventh affected asphalters working in Sydney, and an eighth quarrymen at Townsville, Queensland. In these instances the record curtly states the result as "Germans dismissed." In one of the coal-mining cases the offending German, an electrician, though born in Germany, was naturalised in Australia; but he was dismissed in consequence of fellow workmen refusing to continue working with him. The largest dispute of the kind occurred in Western Australia, where the Kalgoorlie miners, in August, 1916, objected to the employment of enemy aliens. The stoppage of work affected over 3,000 men, and led to the appointment of a royal commission to enquire whether all the persons to whom objection was made were in fact of German nationality.

In three important cases the Commonwealth Government intervened between the Arbitration Court and parties engaged in disputes before the court. In each case the industry affected was of vital importance for the prosecution of the war, as well as affecting other industries; and this was given as the justification for intervention.

The first of these cases related to certain miners in New South Wales collieries, especially those at the Pelaw Main colliery, of which Messrs. J. and A. Brown were the proprietors, who went on strike in the hope of compelling their employers to grant shorter hours and other concessions, at the time when they were also, through their union officials, asking the Arbitration Court to award the same benefits. Other coal miners in Victoria and Tasmania also joined in the appeal to the court. Mr. Justice Higgins refused to proceed with the case in these circumstances. He sought in vain to obtain from the representatives of the miners an undertaking that, until the award was given, the men would return to work under conditions prevailing before the strike. He said that he did not blame the officers of the union for what had occurred; they had loyally done their best. But, he continued, "apparently the men are neither loyal to the public nor to their own union"; and at the end of a protracted argument he pronounced that:

I certainly shall not go on with the arbitration with my hands tied, and my hands would be tied if the men are getting by direct action by insistence upon what they are asking me for. . . . The country will not stand this uncertainty as to whether men will work or not.

"The men," he said again, "were refusing to supply coal the country wanted in time of war, when it was actually required for transports."

Immediately the case reached this stage, the Executive Council held a special meeting (12th October, 1916) and passed a regulation under the War Precautions Act, providing that the Attorney-General should have power to appoint a board to hear and determine the issues "relating to matters other than matters in dispute between the parties" before the Arbitration Court; and any order, award, or direction which might be made should be binding on all parties, and might be enforced by the same means and in the same manner

as if it were an award or order of the Arbitration Court. Mr. Justice Edmunds¹³ of New South Wales presided over the special tribunal established under the War Precautions regulation, which, notwithstanding that it excepted "matters in dispute," was intended in reality to take the case out of the hands of the court, and had that effect; for, when work was resumed at the colliery, in February, 1917, it was "resumed on the terms of an order of the War Precautions Coal Board."¹⁴ The Board increased wages and improved conditions, with the result that the industry for a time remained quiet, but the price of coal was raised throughout the Commonwealth.

The second case was that of the waterside workers in 1917. In this instance the Federal Government intervened between the Arbitration Court and disputants not by appointing a special board, but by means of a special regulation under the War Precautions Act, by which certain branches of the Waterside Workers' Federation were deprived of preference at the time when the Arbitration Court was engaged in hearing an application to penalise the whole organisation by depriving its members of that benefit.

The court in 1914 had made an offer fixing rates of pay for the waterside workers for the ensuing five years. In May, 1917, when this order still had a currency of two years, the shipping companies were served with a notice demanding increases for all classes of work, and demands for additional concessions. While the order of the court fixed the minimum rate of pay at 1s. 9d. per hour for handling ordinary cargo, and 2s. for other cargo, it was now demanded that the rate for ordinary cargo should be 2s. 6d., and for other cargo 2s. 9d.; and among the additional claims was one that no employee need work in the rain, and that if he ceased work in consequence of rain he should be entitled, until discharged, to the same payment as if he had worked. The shipowners maintained that the existing award rates were adequate. While the case was engaging the attention of the court, the

¹³ Hon. Mr. Justice W. Edmunds. District Court Judge, N. S. Wales, 1911/19, President, N.S.W. Board of Trade, 1919; Judge of Industrial Arbitration Court of N.S.W., 1920/26. Of Strathfield, N.S.W.; b. Maitland, N.S.W., 1856. Died, 15 Aug., 1932.

¹⁴ *Labour Bulletin* No. 17, p. 36. Particulars of the dispute before the court are reported in *The Argus* during Oct., 1916, especially the issues for Oct. 11, 13, 16, and 28. The War Precautions regulation was issued on Oct. 12.

waterside workers at Rockhampton refused to accept work at the award rates. Technically this was not a strike; it was a refusal to undertake work upon ships. Mr. Justice Higgins recognised the distinction between a strike in the full sense and a refusal to accept employment; but at the same time he complained that the committee of management seemed unable to exercise any control over its branches. "The executive," he said, "is a powerless executive, and one upon which I cannot rely apparently to have the work carried out duly and in good order These men deserve to be pilloried in the circumstances for refusing to work these ships unless they get more money." Their conduct, he added, was "unjust and unreasonable."

At this stage the waterside workers' dispute became involved in the extension of another and much more important struggle—the railway strike in New South Wales—which quickly developed into the most serious strike experienced in the Commonwealth during the war, extending to the seamen, coal miners, carters, railway workers, coal lumpers, gas workers, and others, and to nearly every port, and for a few weeks paralysing the shipping industry of Australia.

Leaving for the moment the great strike in its wide and calamitous ramifications, and confining attention to the waterside workers, their case dragged on from May till August, when (August 30th) an application was made to the Arbitration Court, by counsel briefed by the Attorney-General, to deregister the Waterside Workers' Federation. The effect would have been to deprive its members of the whole of the advantages they had secured from awards. On September 8th, however, the Commonwealth Government, acting under a specially-framed regulation of the War Precautions Act, published in *The Gazette* an order cancelling the preference for branches of the Waterside Workers' Federation in the ports of Bowen, Mackay, Brisbane, Newcastle, Sydney, Melbourne, and Fremantle. On September 24th Mr. Justice Higgins, after hearing arguments on both sides, declined to make an order to deregister the federation as an organisation. The refusal of the president of the court to punish the federation did not affect the act of the Government in penalising the branches mentioned. The Government at this time was

grappling with a much larger problem than that before the court. The whole Commonwealth was in a state of turmoil; industry was disrupted; scenes of violence were occurring in the large cities; the means of transport by sea, rail, and road were threatened with paralysis, and would have been stopped but for the assistance given by volunteers. The Government felt compelled to present a stern attitude towards those who were considered to have originated the trouble. The court, on the other hand, acted with deliberation, and, when the decision was given, refused judicially to withdraw preference from the waterside workers as a whole, notwithstanding that in fact preference had been withdrawn by the act of the Government from those working in seven of the busiest ports in Australia.

The third instance of government intervention related to the strike of seamen, and trades allied to or in sympathy with them, in 1919. This upheaval, characterised by some dramatic incidents, commenced in Brisbane in January. The seamen were dissatisfied with the award of the Arbitration Court under which they were working. They demanded increased pay and insurance against pneumonic influenza, which at the time was spreading and causing some symptoms of panic. In May the whole of the Queensland ports were "black" with strikes. The local branches of the Seamen's Union appealed to their comrades in the other States to support them; and on May 17th a meeting in Melbourne determined that the men should give notice to the shipowners of their intention to leave the ships at their home ports. By May 19th the whole shipping industry of Australia was disrupted. The Commonwealth Government was seriously concerned not only because of the wide extent of the strike, but also because it was now itself the proprietor of a large fleet, and because there was clear evidence of an intention to drag in as many other trades as could be induced to follow the example of the seamen. Mr. Justice Higgins did his best to end the trouble by summoning a compulsory conference and ordering that there should be a plebiscite of the men on the question of referring the issues to the court. Both methods were unsuccessful. The plebiscite was completely abortive, since the

majority of the seamen refrained from voting. Mr. Justice Higgins administered a severe censure to the union for resorting to direct action, declared that he would not arbitrate unless the men returned to the ships, and warned the ship-owners that they would rue their error if they yielded to demands made upon them through the instrumentality of a strike. The Acting Prime Minister, Mr. Watt—Mr. Hughes being absent from Australia during this period—conferred with the disputes committee of the Melbourne Trades Hall, and obtained a definite statement of what the men demanded. In the early part of the dispute their grievances were obscured in the inevitable clouds of violent rhetoric, and the clarifying of the issues was at least an advantage. The demands were resolved into four, namely, better accommodation for seamen on interstate ships; a six-hour day, while ships were in port; insurance against sickness or death arising from employment; and an increase in wages amounting to 35s. a month.

Mr. Watt handed the negotiations over to his colleague, Senator Millen, who was at this time Minister for Repatriation, and whose nimble, suave, and tactful methods made him an ideal man for handling the problem. But the difficulty was complicated by incidents which inflamed the passions of the seamen. On July 13th the secretary of the Seamen's Union, Mr. Thomas Walsh¹⁸—who, be it said, had himself served in the danger zone early in the war—made a fiery speech at the Bijou Theatre, Melbourne. He threatened that the city should be "thrown into darkness," and urged that it was the duty of every member of the union, and of every member of the working class in sympathy with the seamen, to assist to that end. "We are," he said, "prepared for any eventuality, and we are not going in until our claims are met." Mr. Walsh was thereupon prosecuted (July 18th) under the Arbitration Act, and fined £100 for having encouraged and counselled a strike. He refused to pay, and repeated the offence against the act. He was then rearrested, and sentenced to imprisonment for three months. The president of the Seamen's Union, Mr. P. le Cornu—a Frenchman by birth who also had sailed during the war—in a speech not

¹⁸ T. Walsh, Esq. General Secretary, Seamen's Union of Australia, 1919/21, General President, 1921/26. Of Sydney, b. Youghal, Co. Cork, Ireland, 17 Jan., 1871.

less inflammatory than were the orations of Mr. Walsh, stated that "it had been said that he and Walsh were anxious to establish themselves as the Lenin and Trotsky of this country; if it were necessary to do this to win, they were prepared to take those positions up." The point was merely oratorical, but certainly the imprisonment of Mr. Walsh created a new situation; for the seamen declared that they would on no account man the ships as long as the secretary of their union remained in gaol. Mr. Walsh, however, bore no resentment. Learning while he was still a prisoner that proposals made by the Government were under consideration, he wrote that he was deeply thankful for the staunch friendship of his comrades, but begged them not to allow their consideration for him "to stand in the way of their getting justice for themselves and their families"; they should "leave me and my imprisonment out of the matter."

Meanwhile, Senator Millen had been busily engaged with the leaders of the seamen,¹⁶ cordially assisted by the disputes committee of the Trades Hall, who were as keen as was the Government to bring the quarrel to a close. On July 28th he was able to publish the announcement that if the seamen would go back to work, and Admiral Clarkson was able to report that the ships were manned, the Government would at once arrange a conference with the union, and every endeavour would be made to arrange a settlement. On September 3rd Mr. Justice Higgins announced in the Arbitration Court that he had received a communication from Admiral Clarkson to the effect that the ships were being freely manned, and that he understood that the parties were holding a conference among themselves. It was hoped that they would come to an agreement, which would be referred into court, and thereby become binding as an award. In this case the intervention of the Government between the disputants and the Arbitration Court took the shape of negotiation by the minister for a conference after the court had failed to bring the parties together. The result was that the men succeeded in securing substantial advantages; on the debit side was the loss in wages to themselves, and in trade to the Commonwealth.

¹⁶ Earlier in the dispute a number of returning Tasmanian soldiers were prevented by the strike from reaching Tasmania from the mainland. At the instigation of Mr. Walsh, the seamen offered to man two chartered ships without pay in order to repatriate them. The offer, however, was not accepted.

These three cases exemplified a difference between the political and the industrial aspects of grave and far-reaching disputes which compelled the intervention of the Government, though the method of intervention was different in each instance. Mr. Justice Higgins wished to maintain a principle upon which the Arbitration Court had always insisted, that it would not function as arbitrator in a case where the men were on strike. But no government, whatever its political complexion, could attempt to carry on a war and at the same time permit collieries to remain closed, wharves to be deserted, and ships to be tied up in the ports; it could not wait even to give the court time to secure observance of a perfectly proper principle. Expediency dictated the temporary subordination of legal to political methods. As the court would not yield—and could not, consistently with the maintenance of its own authority—the Government resorted to other means to bring about a cessation of industrial hostilities. To what extremes the dispute led is illustrated by a complaint made by Captain Glossop,¹⁷ famous for his command of the *Sydney* in her duel with the *Emden* at Cocos Island, that the Seamen's Union tried to "prevent a crew being obtained for a hospital ship."¹⁸ Needless to say, twice the number of men necessary, including members of the union, volunteered immediately this was reported, and offers of service continued to arrive for days afterwards.

In the strikes which have been mentioned, lack of confidence in the Arbitration Court was frequently expressed. The president of the Seamen's Union during the maritime strike declared that the men were "fighting against the Arbitration Court," and described Mr. Justice Higgins as one "whom the people had been fooled into believing was a friend of the working class," whereas he was "only an intermediary whereby we are tricked." The entire career of Mr. Justice Higgins while he presided over the court is a commentary upon the injustice of this and similar pronouncements. Firm though he was in maintaining the principles which he and other judges had laid down as necessary for the successful

¹⁷ Vice-Admiral J. C. T. Glossop, C.B., R.N. Commanded H.M.A.S. *Sydney*, 1913/17, Captain-in-Charge, R.A.N. Establishments, Sydney, 1917/20. Of Bridport, Dorset, Eng., b. Twickenham, Middlesex, 23 Oct., 1871. Died 24 Dec., 1934.

¹⁸ *The Sydney Morning Herald*, 25 Sept., 1917.

working of the arbitration system, he was ever sympathetic towards wage-earners. Indeed, the bitterest criticisms he had to meet were those which charged him with permitting his sympathies to have too much weight. He did not deny that he was sympathetic, however much he might insist that his judgment was not thereby deflected from justice. "You say that the 'sympathies' of the arbitrator are the 'stumbling block' of arbitration," he wrote to a correspondent. "I regard them as its strength. Without sympathy for the weaker party—the party which has the weaker position for the purpose of contracting—no system of arbitration can be successful. There must be sympathy, but sympathy under the restraints of justice and prudence."¹⁹ But it was not the judge's attitude towards the parties which caused the partial break-down of the arbitration machinery. It was the necessity with which any government, whatsoever its nature, must find itself faced in time of war—the need for celerity in settling disputes of paramount importance in particular industries during an exceptional period of stress. Senator Millen shot close to the mark in his comment that "the arbitration court is not a piece of machinery capable of settling disputes in this country at the present time."

Mr. Justice Higgins did not conceal his vexation at the action of the Government, in the collieries dispute in 1916, in taking the matter out of his hands by referring it to a commissioner; and a year after the event a heated exchange of uncomplimentary missives, between the Prime Minister and the judge, flared up from smouldering embers. In 1917, in the course of an argument in the Arbitration Court upon another matter, counsel remarked that in the collieries dispute "the Commonwealth Government in its wisdom appointed a special commissioner, Mr. Justice Edmunds, to deal with the matter, and, as we all know now, with instructions to concede the men's demands." Mr. Justice Higgins thereupon remarked:

The Prime Minister wanted me to act as commissioner under those instructions, and I refused. . . . It would have injured the prestige and influence of the Court irretrievably if I had. Mr. Justice Edmunds has said clearly that he did not regard himself as an arbitrator in the matter, but was there to grant what the men asked for; and it was a most baleful precedent.

¹⁹ Nettie Palmer, *Henry Bournes Higgins, a Memoir*, p. 209.

When this observation was brought to the notice of Mr. Hughes, he denounced it as "a deliberate and monstrous fabrication"; and Mr. Justice Edmunds declared that it was a reflection upon his probity, and was false. "No communication, written or verbal, other than the appointment itself," he said, "has ever passed between the Prime Minister, or any other person, and me with reference to the exercise of the authority vested in the coal tribunal by the War Precautions Act." Several other shots were fired by Mr. Hughes and Mr. Justice Higgins, the latter alleging that Mr. Hughes sent to him a written statement of the demands of the men which were to be conceded, and the Prime Minister retorting that there was no such memorandum, but merely a pencilled note of what the men demanded; and he repeated that there was no shadow of foundation for the charge that he had in any way attempted to trammel the commissioner.²⁰

The quarrel was a revelation of the tension of feeling which prevailed between the head of the Government and the president of the Arbitration Court affecting the very bitter industrial troubles, the settlement of which was vital to the peace and good order of the Commonwealth. The Prime Minister, intensely anxious and eager, was easily inflamed by obstruction; the judge, outwardly calm, was a highly-sensitive man who felt more deeply than his reined emotions were permitted to reveal. He believed that he was laying the foundation of a system of industrial jurisprudence which might be a pattern for other countries, as well as, within his own, the fulfilment of cherished hopes. Obedience to the rule of law as applied to conflicts between capital and labour was the primary necessity for the success of the system. Any flouting of the court, whether by men or by the Government itself, was a blow struck at the authority of the organ upon which industrial arbitration depended, and therefore to be emphatically resented. But his quarrel with the Government over the waterside workers' case led to the raising in Parliament of the question whether the means for his removal prescribed by the Constitution might not be invoked; and the Prime Minister, when questioned about the judge's refusal

²⁰ The conflicting statements of the judge and the Prime Minister are reprinted, from the newspaper reports, in *Commonwealth Arbitration Reports*, Vol. 11, pp. 994 *et seq.*

to deregister, and as to "the desirability of dispensing with that gentleman's services as president of the Arbitration Court," replied in terms balanced between irony and threat:

I have not read the whole of the judgment of Mr. Justice Higgins, being too overcome by what I did read to proceed further. Should the last part of it be as bad as the first, I may, in the near future, fall in with the wish of the honourable member, and afford him an opportunity to make such suggestions as he evidently has in his mind.²¹

The dissatisfaction of Mr. Justice Higgins, due to these interferences of the Government between his court and disputants, led to his resignation in 1921. The Industrial Peace Act, passed in that year, enabled special tribunals to be appointed, with power to determine any industrial dispute, any award which such a tribunal might make being enforceable, and the Arbitration Court being deprived of the power of making any award inconsistent with the award of a special tribunal. The judge felt that "the ground had been cut from underneath his feet."²² He did not think that the court could successfully function in competition with special tribunals. "My resignation," he said in announcing it, "is due to my opinion that the public usefulness of the court has been fatally injured." He therefore retired from the Arbitration Court jurisdiction, and for the remainder of his life sat as a judge of the High Court of Australia.

A feature of this period of industrial disturbance which should not be overlooked is the remarkable steadiness of the largest and most widely-spread of Australian labour organisations, the Australian Workers Union, whose members were largely engaged in the great rural industries. This great and powerful society, directed with conspicuous ability and commanding the loyal support of its army of members, throughout the war period kept free from disputes, and faithful to the Arbitration Court, which it had been largely instrumental in creating. It is true that one or two instances occurred of groups of rural workers refusing employment because they were dissatisfied with award rates of pay. They found, as did every other person in Australia who worked for salary or wages, that, the purchasing power of money having declined, they were not in fact getting as much as was due to them.

²¹ *Parliamentary Debates*, LXXXIII, p. 2735.

²² Palmer, *Henry Bournes Higgins*, p. 230.

But the union supported the method of law against the method of strike. There was, too, among the members of the Australian Workers Union a particularly conspicuous feeling of comradeship with "the men at the front," who, of course, included large numbers of its own members as well as of other unionists.²⁸ In the trade union history of Australia the great union had fought very strenuously for the right to combine, the common rule, and all other principles held by unionists to be vital; but, having gained many victories and suffered many defeats, it stood firmly by the court and equally strongly against industrial warfare, to prevent which the arbitration system had been instituted.

III

War strain was doubtless a partial explanation of most of the serious industrial troubles during the war, and, in particular, of the great New South Wales railway strike commenced on the 2nd of August, 1917. The transport system of the country was paralysed because the railwaymen ceased work as a protest against the introduction of the "time-card system." This was a system whereby the railways commissioners hoped to be able to ascertain exactly the labour-cost of any piece of work executed in the workshops. It was not unnaturally looked upon, by the commissioners, as a desirable innovation from a business-management point of view, and in normal times they might have encountered little difficulty in adopting a method of "costing" already in use in many factories and workshops under commercial management. But feeling was inflamed, and the railway workers not only put the whole of the machinery of transport out of action, but also induced coal-miners, waterside workers, and others to strike. The New South Wales Government issued a proclamation whereby it assumed control of all motor vehicles in private possession, as well as of horse-drawn vehicles and horses; and application was also made to the Arbitration Court to deregister over twenty unions. In the end the railwaymen gave way, agreeing to return to work and give the time-card system a trial of three months, after

²⁸ In 1916 the officials of the A.W.U. claimed that the union had 30,000 of its members at the front, and that it had 70,000 members in Australia at the same date—*The Sydney Morning Herald*, 26 Sept., 1916.

which term a royal commission was to inquire whether its continuance would be just or otherwise. But the strike at the collieries lasted longer and was more difficult to settle.

Of all the big export industries of Australia, the coal trade was by far the greatest sufferer by reason of the war. In this case also the decline continued, after a short recovery, in post-war years, the causes of the continuance, however, being various, and largely associated with increases in price and with the use of oil fuel.²⁴ Of the Australian coalfields, much the richest are those of New South Wales (northern, southern, and western) from which, before the war, large consignments went to the west coast of South America as well as to the Philippines and other islands of the Pacific. These supplies were of the utmost importance to German trade in that ocean, and at the outbreak of war it was reported that for some time Australian coal was reaching German steamers. There were accordingly applied the same restrictions as to the wool, wheat, and other important trades, the control in the case of coal, however, being exercised mainly on the advice of the Naval Board. How embargoes were proclaimed,²⁵ and then, on the urgent representations of traders, relaxed; how the activity of Japan, which was selling coal freely, became a constant source of grievance; how the Australian Government nevertheless decided that strategic considerations must be paramount, and maintained the embargo; how in 1915 agreements were made through the British Government with Chile and other countries, and eventually after much internal friction, the trade with neutrals was left free except for modified restrictions, chief of which was a prohibition against shipping to certain "black-listed" firms—all this has been described in some detail in the naval volume

²⁴ The decline of the coal export trade is illustrated by the following figures, showing the amounts of coal (exclusive of bunkers) sent abroad from New South Wales, and the average prices in the Newcastle district.

	Tons.	s.	d.		Tons.	s.	d.
1913	2,097,000	7	10	1924-25	975,000	17	8
1914	1,997,565	7	8	1925-26	792,144	17	7
1915	927,225	7	7	1926-27	803,000	18	10
1916	646,547	9	1	1927-28	550,000	19	2
1917	487,647	11	5	1928-29	311,608	19	0
1918	397,536	11	8	1929-30	153,000	16	8
1919	778,035	13	6	1930-31	358,000	15	4
1920	2,064,515	15	3	1931-32	342,000	15	2
1921	1,544,000	17	7	1932-33	283,000	13	8
1922-23	1,114,090	17	6	1933-34	291,835	12	9
1923-24	1,336,483	17	7				

²⁵ The first of these was issued on 14 Oct., 1914.

of this series,²⁶ and need not be repeated here. It is sufficient to add that through these restrictions the export of coal from Newcastle (N. S. Wales) fell from 4,743,505 tons in 1914 to just over 4,000,000 in 1915, the "export" being now almost entirely to the other Australian States, and that in 1916 the export from New South Wales dropped by 1,321,847 tons, the decrease being due partly to the strike and partly to loss of oversea trade.

In July 1915 a deputation from the Newcastle coalfield told the Prime Minister that, despite the number of miners who had enlisted, 4,000 miners were unemployed there. Nevertheless early in 1916 the restrictions on export had to be tightened, and the Federal Government was urged to buy, in compensation, large stocks for reserve. In November 1916 the coal strike caused difficulty in the sailing of steamers, and the available stock ran very low. This was at the very moment when Mr. Hughes was negotiating the sale of the Australian wheat surplus, and ships were streaming to Australia to carry it. He accordingly bought from the Admiralty 100,000 tons of coal, instituted strict control of the use of Australian coal, and authorised his department to purchase Australian supplies. The navy, the State railways, and other departments also maintained certain reserves. When, in spite of the settlement in 1916, the great strike of August 1917 extended to the collieries, the Federal Government had no less than 190,000 tons stacked on the coalfields in New South Wales. On August 15th the State Government by proclamation commandeered all coal in transit in the northern coalfield, giving an additional 30,000 tons; and on the 23rd, by a further proclamation, exercising its right of "eminent domain," it assumed possession of all coal mines in the State. At this stage the reserves amounted to some 380,000 tons, which, as the State by working the mines continued to obtain a diminished supply, could have maintained the normal supply for Australian industry for two and a half months. To control the acquisition and distribution, a Naval Coal Board was set up²⁷ in Sydney by the Commonwealth Government and

²⁶ Vol. IX, pp 460-69.

²⁷ Under the War Precautions Act.

was charged with registering all coal stocks and controlling all dealings in them, building up reserves, and apportioning bunker coal, it being made an offence to sell coal without the board's permission. The board was strengthened by the addition of representatives of the State,²⁸ and, on behalf of the two governments, it distributed some 233,000 tons of coal.²⁹ The strike on the coalfields outlasted by a fortnight that of the railwaymen, which had occasioned it, but ended on October 3rd, while the Government still had large stocks on hand.³⁰

After this coal strike it happened that the shortage of ships arriving in Australia caused great distress among the miners of the Newcastle field. The Federal Government therefore established Coal Purchase Boards, authorised to purchase large quantities of coal from those mines whose employees needed relief. Authority was given to buy 100,000 tons at Newcastle and 50,000 from the southern field, and the coal so purchased was added to the Federal Government's stocks.

The industries not merely of New South Wales but of the greater part of Australia depended upon these coalfields, and during and after this strike a serious shortage became acutely feared in Victoria. The Victorian Government accordingly arranged to supply labour and police protection for two of the mines in the northern coalfield of New South Wales—Richmond, and Pelaw Main—and by January 1918 of the 800 men at work in these mines, 300 had come from Victoria. But—as happened in most other problems of war-time co-ordination—the distribution of New South Welsh coal to the other States inevitably became a Federal matter. During the shipping strike in May 1919 the Federal Government, again acting under the War Precautions Act, took

²⁸ It comprised Captain J. C. T. Glossop, R.N. (chairman), Captain F. G. Waley and Commander W. J. Slattery, R.A.N.B. (both in the coal industry). Hon. R. T. Ball, Hon. G. S. Beeby (afterwards replaced by Hon. J. C. L. Fitzpatrick), and Mr. T. B. Cooper represented the State. Mr. J. S. Duncan was secretary. Sub-committees assisted, the heaviest work falling on that formed at Newcastle under the presidency of Commander J. G. Fearnley, R.A.N.B.

²⁹ This was sold at a profit of about £8,000 to the Commonwealth, and nearly £12,000 to the State. Against the State profit, however, has to be put the cost of keeping and protecting the workers' camps, the net loss was thus about £15,000.

³⁰ A series of experiments was carried out to test how far New South Wales coal, stacked in large quantities over wide areas and to considerable heights, was liable to heating or spontaneous combustion. The results were of considerable scientific interest, and were embodied in a report which declared any such danger to be disproved.

power to control the whole of the Australian coal supplies, to requisition all coal stacked, or won from any mines, and to fix wages and conditions of employment and the selling price of coal. The Controller of Shipping (Rear-Admiral Clarkson) was appointed chairman of the Commonwealth Coal Board, and decided the destination of coal shipments; and subsidiary State Boards were formed in all States except Victoria, for which the Central Board acted. At one time during this strike the reserve stock of coal in Melbourne fell to four days' supply, but this emergency—and the War Precautions Act—vanished before the activities of the Commonwealth coal control were fully developed.

To ensure regularity in sea transport, continuity was required not only in mining but in the coaling of ships, and to this end an interesting but not very successful experiment was made in New South Wales. Following upon difficulties with the Sydney Coal Lumpers' Union early in 1916, an agreement was arrived at by which the coal-lumpers enrolled themselves under government control as the Naval Transport Coaling Battalion. Members of the union were deemed to have enlisted for active service, were furnished with distinctive badges, and were forbidden to serve abroad without the consent of the Minister for the Navy. All private contracts for employment in coaling overseas ships were abolished, and the men became employees of the Federal Government. The battalion was officered by the managers of the leading coal companies³¹ and by the president and secretary of the union. Wages were increased, conditions improved, and the union bound itself not to be drawn into labour disputes in other industries, and in no circumstances to stop the work of coaling overseas steamers. When, during the coal strike of 1916, the Federal Government requisitioned coal stocks throughout the Commonwealth, the battalion handled them without demur; but when the railway strike broke out in New South Wales, not all the appeals and other efforts of their officers could hold the coal-lumpers from joining the strikers. The same principle of loyalty to a mate, which made the Australian soldier stand by his comrade no matter what the stress or the danger, operated in the industrial strife

³¹ The commander was Mr. F. G. Waley of the Bellambi Coal Company, who was given the honorary rank of Captain, R. A. N. B.

and rendered it almost impossible for Australian workers as a whole to act in a manner that obviously militated against friends close beside them engaged in an industrial struggle, however unwise or disadvantageous the cause. The experiment failed at a crucial time. On September 25th, in a very strongly expressed judgment, Mr. Justice Heydon cancelled the registration of the union, and the battalion was disbanded. The Naval Coal Board at Sydney then appealed for voluntary labour to keep hospital ships and transports moving, and ample assistance resulted.

A striking example of a vital industry that operated steadily without stoppage throughout the war was that of the smelters at Port Pirie, which produced lead urgently required by the British Government for munitions;³² but, even if sometimes in other great industries the shrewd and experienced men who managed the trade unions lost control, and fiery spirits seemed to be running riot against the ideals by which in calmer times the unions had been guided, the phenomena were not difficult to understand. Disruption, the shattering of the foundations upon which political unionism had been built, the passionate dissensions aroused by the conscription issue, the rapid rise in the cost of living, the atmosphere of suspicion which permeated industrial life, the influence of the I.W.W.—all these and many other disturbing factors created “confusion worse confounded.” The reins of discipline broke in the hands that held them. Not only the president of the Commonwealth Arbitration Court, but nearly every other authority dealing with wages regulation in Australia, complained that it was useless to make awards if men would not obey them. The officials whose duty it was to appear before these tribunals were exposed between two raking fires, from the bench and from the mines and workshops. But it is safe to say that there was no strike during the war years

³² The smeltermen refused to join the strike of the N. S. Wales railwaymen, but the smelters were threatened with shortage of coal. A conference was accordingly called by the company in Melbourne, at which representatives of the Coal and Shale Federation, Australian Workers' Union, Seamen's Union, Waterside Workers' Union, Amalgamated Society of Engineers, and other craft unions unanimously agreed that there should be no disturbance at the Port Pirie smelters during the war. Arrangements were made to work two mines on the south coast of New South Wales and to man the necessary colliers, but, before these steps were carried out, negotiations, initiated through a suggestion made by the coal-miners' representative during these discussions, settled the great strike.

which the union officials did not strive to prevent, and, when the flames spread beyond their power of extinction, to bring to a conclusion.

IV

In June 1905, a convention consisting of about 200 men was held in Chicago for the purpose of forming a revolutionary syndicalist organisation whose objective should be the destruction of the capitalist system. It was hoped that the operations to be encouraged would be international, and they were to be "based and founded upon the class struggle, having in view no compromise and no surrender." The promoters were engaged in a wide variety of vocations: they were clerks, labourers, engineers, pastry-cooks, mariners, builders, carpenters, bootmakers, and so forth; all workers for wages, and all dissatisfied with what appeared to them to be the philosophising theories of the socialists and the negotiating methods of the trade unionists. They openly advocated violence as a means of hastening a social revolution, and in the sphere of industry they approved of sabotage as a method of deliberately impairing the efficiency of profit-making production. The Chicago convention determined to name the new movement that of the Industrial Workers of the World; it was more familiarly known as "the I.W.W."³³

The I.W.W., though superficially an emanation from trade unionism, was in fact at open war with it; American unionism had "always been the arch-enemy of the I.W.W." Samuel Gompers, the foremost leader of the American Federation of Labour, described the Chicago convention as "the most vapid and ridiculous in the annals of those who presume to speak in the name of labour," and the participators in the gathering as "the most stupendous impossibles the world has yet seen."³⁴ With no less emphasis was the new organisation disavowed by the socialists, who denied that there was any hope for a policy of smashing, burning, and disruption, devoid of constructive design.

The weapon of sabotage was advocated in many of the publications of the I.W.W. The word "sabotage" originated among French syndicalists, who propagated the legend that,

³³ P. F. Brissenden's *The I.W.W., a Study of American Syndicalism* (New York, 1920), is an excellent study of the origins and history of the organisation.

³⁴ Brissenden, *pp.* 83, 106.

when a workman had a grievance which was not remedied to his satisfaction, he threw his wooden shoe, or sabot, into the machinery of the factory, and thereby stopped or impaired production. The writings, original and translated, of the I.W.W. teem with references to sabotage as a justifiable method. The Los Angeles branch founded a journal called *The Wooden Shoe*, which boasted that "our coat of arms is the shoe rampant," and published such maxims as "a kick in time saves nine" and "kick your way out of wage slavery." A translation of a book on *Sabotage*, by Emile Pouget, published in Chicago and circulated among I.W.W. members in the United States and Australia, contained suggestions as to how sabotage might be practised in various callings. Thus, if a member of the Drug Clerks Union wished to practise sabotage, "he would never think of poisoning the patients," because that would be a deed which, after causing death, would "land the saboteur in gaol, whilst it would leave totally undisturbed the boss druggist." Instead of substituting strychnine for a harmless drug in a prescription, "the drug clerk who would really sabot his boss would . . . waste the chemical ingredients in filling his prescriptions, or better still use the best, purest, and therefore costliest drugs, instead of the cheap adulterated ones generally in use." So that "pharmaceutical sabotage," instead of being harmful, could be made beneficial to the sick.³⁵ A machinist with a little emery dust or a handful of sand could clog a machine and so cause loss of time and expense to the boss. A tailor could easily spoil a length of cloth, a cabinet maker could deteriorate a piece of furniture, a farm hand could once in a while "make a mistake with his hoe or scythe, or sow bad seeds in the fields, and so on." Indeed, it was claimed that "the applications of sabotage vary to the infinite"; or, as the point was poetically put, "to list out the thousand methods and ways of sabotage would be an endless rosary."³⁶

The I.W.W. found a few adherents in Australia as early as 1907. It occupied premises at Marx Hall, Castlereagh-street, Sydney, where lectures and discussions were arranged, and it sold literature imported from America. At a later

³⁵ Pouget, *Sabotage* Chicago edition (1913), p. 81

³⁶ *Ibid* p. 101

date its headquarters were in Sussex-street. Not till after the commencement of the war was the attention of the Government and the police directed towards the new organisation, which had so far been regarded as a small foreign body unlikely to affect seriously the general health of the State. In 1915, however, the Sydney police were compelled to take notice of the conduct of certain men who were found to be members of the I.W.W. but, in many cases, indistinguishable from the criminal class. The direct influence of the I.W.W. upon industrial disturbances from 1915 onwards, and especially upon the colliery strikes, is not doubtful. The American *Sunset Magazine*, one of its organs, in the issue for March, 1917, attributed the New South Wales coal miners' strike mainly to I.W.W. agitation. There was probably more boastfulness than substance in this claim, but it is true that several criminal acts which occurred were exactly such as were advocated by I.W.W. emissaries. *The Sunset Magazine* claimed that I.W.W. members, belonging to a militant and aggressive organisation, had spread the gospel of general rebellion, and had threatened to burn down Sydney unless some miners, who had been imprisoned in connection with the strike, were released; and it described how, "night after night the incendiary work went on in Sydney" until, "terrorised by the handful of industrial rebels, the Commonwealth was forced to yield. The strike leaders were finally released, and the demands of the strikers were granted."⁸⁷

In New South Wales the I.W.W. was connected with an extraordinary series of crimes, including murder, arson, forgery, and seditious conspiracy; and with prosecutions, followed by special investigations by royal commissions, after the ordinary processes of the law had been followed up to the point of conviction. On the 26th of September, 1916, Constable Duncan,⁸⁸ of Tottenham, was murdered shortly after he had arrested and prosecuted a member of the I.W.W., who was convicted of using indecent language. Six days later the police raided the headquarters of the organisation in Sussex-street, and seized a quantity of revolutionary literature

⁸⁷ Quoted in Brissenden, p. 342-3.

⁸⁸ Constable G. J. Duncan Of Tottenham and Ravensworth, N S W ; b. Aberdeen, Scotland. 13 Sept., 1891. Died 26 Sept., 1916.

In the previous month it was reported to the police that forged Commonwealth notes had been put into circulation. The source of their production was traced to a cottage at Maroubra Bay, where appliances for printing the notes were discovered. It was ascertained that 5,000 £5 notes had been printed; and the work was so cleverly done by the process engraver employed for the purpose that only expert bank officials could detect that they were forgeries. Of the three men who were convicted and sentenced to terms of imprisonment for this crime, J. B. King was the editor of *Direct Action*, the organ of the I.W.W., and J. J. Ferguson was linotyper for that publication. The third man, Noel P. Lambert, had, with Ferguson, rented the cottages where the forgeries were committed. Two other men, Charles Coxon and James Wilson, were convicted and sentenced for uttering forged notes at Glen Innes; and Wilson, while in gaol, confided to Coxon that he had committed a murder in April, 1916, which the police had so far failed to elucidate. That murder was a brutal crime of robbery whereby George Pappageorgi, a Greek, who kept a grill room at 635 George-street, was first stunned with a heavy instrument, then strangled and robbed. Wilson and Coxon, while in the exercise yard at Tamworth gaol, knocked down a warder, Hoare, and hammered him on the head till he was insensible. They then escaped, but were recaptured; and it was after this further crime that evidence was obtained which convicted Wilson of the murder of Pappageorgi. He pleaded guilty, and was hanged on 31st May, 1917. When admitting his guilt, he said: "I can thank the I.W.W. for the trouble I'm in. I had never been in any trouble till I joined that organisation. Curse the I.W.W.! They made a criminal of me, and many others besides."

Several men of foreign nationality were found to be active in the I.W.W. A German named Paul Kopitza, an active member, was arrested, and a quantity of the literature of the organisation was found in his lodging. He was interned at the Liverpool camp. Frank Sirkoff, who assumed the name of Curran, and busied himself with the sale of I.W.W. literature, was also arrested and interned. Otto Kussicke, who was regarded as a dangerous internee at Liverpool, and was placed in a special penal compound there, was found

to have secreted in the leg seam of a pair of trousers a letter addressed to the secretary of the I.W.W. in Sydney.

A number of acts of sabotage occurred which, though not positively traced to the I.W.W., were so much in accordance with its confessed methods, that the connection was inferred. Thus, on the 16th of October, 1916, all the electric connections in the warship *Brisbane* were cut as she lay at Cockatoo Island; and instructions were then given that no member of the organisation was to be employed in naval work. A series of explosions among the timbers of the Royal Copper Mine, at Tottenham, occurred immediately after a number of the miners employed there were known to have joined the I.W.W., though insufficient evidence was obtained to convict any individual of complicity.

The most serious crimes, by reason of their extensive reach and the magnitude of the damage sought to be done, consisted of a chain of fires, which broke out between June and September, 1916, resulting in the destruction of property to the estimated value of £500,000. The special staff of detectives who were detailed to investigate these incendiary crimes succeeded in collecting evidence which showed that the fires were caused by the use of rags or cotton waste soaked in certain chemicals, the formula for which had been supplied by a chemist employed at a Sydney pharmacy, who became alarmed when he realised the magnitude of the crimes for which the compound was used. The first fire which evoked the suspicion of the police that a criminal conspiracy was on foot occurred at Mark Foy's building at the corner of Elizabeth and Liverpool streets on June 17th. A piece of material, which had evidently been soaked in a chemical, was found by an assistant, while in another part of the building a similar piece of material burst into flame. The piece which had not burnt was then analysed, and it was discovered that it had been impregnated in such a way that it would, under some conditions, burst into flame as soon as the fluid evaporated. There was no doubt that the two pieces of cotton waste had been placed in position by some person with the design of setting fire to the building. On the following day a fire suddenly burst out among some crates of crockery

at Mark Foy's bulk store in Brisbane-street. In this case a piece of wire netting, which protected a window lighting the basement of the store, had been cut from the outside; through the aperture the combustible had been thrust, and a quantity of straw was thereby ignited. These two fires were extinguished before much damage was done. But the authors of them had learned to improve their methods. Destructive fires occurred at Simpson's store, Pyrmont; Winn's Limited, Oxford-street; James Stedman's, Clarence-street; and the Public Supply Co-operative Company's premises, Pitt-street. The damage done by these four fires amounted to £350,000. In addition, eighteen cases of attempted arson came within the knowledge of the police. The threat to "burn down Sydney" was apparently being taken in hand.

The Sydney detectives obtained information as to how three members of the I.W.W. had drawn lots to decide which of them should set fire to a drapery establishment, and they learned the names of members who had stolen material to be made up into fuses. They also paid particular attention to the speeches of members of the organisation. They then made a number of arrests. Towards the end of September and the first week of October, twelve men were committed for trial; and they were tried on November 20th at the Central Criminal Court, Darlinghurst, before Mr. Justice Pring and a jury of twelve. One of the accused, King, was already in gaol, serving a sentence for his part in the note-forgery case. Only two of them were Australian born. Three were born in England, two in Ireland, two in Scotland, one in Canada, and one in New Zealand, while one was a Russian. They were indicted on three counts: (a) conspiring to set fire to premises; (b) conspiring to pervert the course of justice and to secure the escape from prison of a man named Tom Barker; (c) seditious conspiracy. The trial ended on December 1st, when the jury found seven of the accused guilty on three counts; four guilty on the first and second counts; and King guilty on the third count only. Mr. Justice Pring sentenced them to terms varying from five to fifteen years. He stated that nobody who had listened to the evidence could doubt the correctness of the verdict; and he described the I.W.W.

as "an association of criminals of the very worst type, and a hotbed of crime."³⁹

The whole of the convicted men appealed to the Court of Criminal Appeal,⁴⁰ and at the hearing of the appeal the verdict was attacked as being against the weight of evidence, and the sentences as being excessive. Stress was also laid upon the point that the jury was probably influenced by the prejudices aroused in the conscription campaign. The court quashed the conviction of two of the accused, on the second count, and reduced their sentences from fifteen years to ten. The other convictions were confirmed.⁴¹

As the Court of Criminal Appeal was the final tribunal in New South Wales, it now appeared that the "I.W.W. cases," as they were currently called, were settled. But in fact a new and interesting chapter was opened, culminating in the liberation of ten of the prisoners. The chief influence in bringing about this complete reversal was Mr. H. E. Boote, the editor of *The Worker*. Mr. Boote commenced the publication, in June, 1917, of a series of vigorous articles devoted to demonstrating that one of the accused, Donald Grant,⁴² had been wrongfully convicted.⁴³ His argument was that there was no evidence to prove that Grant had ever been a member of the I.W.W.; that the reports of his speeches, cited by the police as evidence against him, were not made by competent reporters, and, in the case of one police witness, were written from memory, the detective in question having made no note of any kind; that Grant had never advocated violence; that the particular passage in a speech by Grant upon which the police relied, to support the indictment of him on the second count, was misrepresented; that there was no evidence to connect him with incendiarism; and that he had never conspired with anybody in connection with any acts of lawlessness. Mr. Boote maintained that Grant "got fifteen years for fifteen words" because that number of words was contained in one of the statements upon which the police relied. They

³⁹ The trial was fully reported in *The Sydney Morning Herald*, 21 Nov. to 1 Dec., 1916.

⁴⁰ It consisted of Sir William Cullen, Mr. Justice Sly, and Mr. Justice Gordon.

⁴¹ The proceedings of the Court of Criminal Appeal are fully reported in *The Sydney Morning Herald*, 27 Feb. to 10 March, 1917.

⁴² Hon. D. McL. Grant Alderman, Sydney Municipal Council, and M.L.C., N S Wales, since 1931. Of Sydney; b. Inverness, Scotland, 26 Feb. 1890.

⁴³ The articles were afterwards reprinted in pamphlet form: *The Case of Grant, Fifteen Years for Fifteen Words*.

were: "For every day Barker is in jail it will cost the capitalist ten thousand pounds." It was not the fact that these words covered the whole case against Grant. Mr. Boote, however, strongly maintained his innocence in regard to the whole case against him, and represented him as a victim of political persecution. "Every working man and woman in New South Wales," he wrote, "knows Donald Grant. For years he was the most popular orator of the Sydney Domain. Sunday after Sunday thousands surrounded the stump from which he spoke. His pungent satires upon capitalistic society evoked the laughter and applause of vast audiences. His eloquent appeals for working class solidarity stirred them to the depths of their being." As Mr. Boote pursued his labours he became convinced that not Grant alone had been unjustly convicted. "My investigation of the evidence," he concluded, "has produced in me a conviction that not one of Grant's mates is rightfully in jail."

The publication of Mr. Boote's articles evoked wide interest, and the case was brought before the New South Wales Parliament. The State Government, under parliamentary and public pressure, appointed Mr. Justice Street, of the Supreme Court, as a royal commissioner, to enquire, particularly, into charges made against the police in connection with the I.W.W. trials, and also whether any facts brought before him raised a doubt about the guilt of any of the convicted men. It had been alleged that promises of money were made to one of the witnesses for the prosecution, and that two others supported the case by giving fictitious evidence, and in consequence of the withdrawal of a serious charge against themselves. The report of Mr. Justice Street consisted of a calm and careful analysis of the evidence. He held most of the charges against the police quite unproved, although he criticised some of their actions; and he found that three of the witnesses were men of bad character. His decision was that "no fresh facts have been elicited before me raising any doubt in my mind as to the guilt of the convicted men."⁴⁴

Five judges of the Supreme Court of New South Wales had now dealt with the I.W.W. cases, and there was substantial unanimity in their opinions. But Mr. Boote was not

⁴⁴ Mr Justice Street's report was printed in *The Sydney Morning Herald*, 17 Dec., 1918, and in *The Worker*, Dec. 19.

satisfied. He was determined to work for the liberation not only of Grant, but of his fellow prisoners likewise. A week after the publication of Mr. Justice Street's report, therefore, Mr. Boote commenced a fresh series of articles in *The Worker*, under the heading: "Set the Twelve Men Free." These were characterised by the same fervour and skill in presenting a case as had marked his earlier series. He emphasised the point that the principal witnesses for the Crown on whose evidence the twelve men had been convicted were now shown to be discredited, and he maintained that there had been a serious miscarriage of justice. Again Mr. Boote's articles excited large numbers of people, and stimulated a demand for yet another enquiry.

A general election in 1920 displaced the New South Wales "National" Government of Mr. Holman, who had been in office throughout the war years, and brought into power a new Labour ministry, with Mr. John Storey—a leader whose uprightness was admitted by all parties—as Premier. He took office on April 13th. In June Mr. Storey obtained from the Government and Chief Justice⁴⁶ of Tasmania permission for Mr. Justice Ewing⁴⁶ of that State to act as a royal commissioner on the question of the release of the I.W.W. prisoners.⁴⁷ Mr. Justice Ewing commenced his enquiries almost immediately, and his report, issued on July 31st, recommended the release of six of the prisoners, whom he held to have been wrongfully convicted, and of four others on the ground that they had sufficiently expiated their offences. The sentence of one man was confirmed, and a reduction was recommended in the case of King. Mr. Justice Ewing was of opinion that "there was a conspiracy to set on fire premises in the city of Sydney, and that some members of the I.W.W. were implicated, and possibly others who were not members of the I.W.W." But where statements were made "which were capable of an innocent as well as a guilty construction,

⁴⁶ Hon Sir Herbert Nicholls, K.C.M.G., M.H.A., Tasmania, 1900/9; Judge of Supreme Court, Tas., 1909/37, Chief Justice, 1914/37, Administrator of Tasmania, 1917, 1920, 1922/24, Acting Governor, 1931/33. B Ballarat, Vic. 11 Aug., 1868. Died 11 Nov., 1940

⁴⁶ Hon. Mr. Justice N. K. Ewing. Member of C'wealth Senate, 1901/3; M.H.A., Tasmania, 1909/15, Judge of Supreme Court, Tas., 1915/28. B Wollongong, N S W, 26 Dec., 1870. Died 19 July, 1928

⁴⁷ *The Sydney Morning Herald*, 7 June, 1920.

I have given the accused person the benefit of the innocent interpretation as far as I have felt that I could conscientiously do so." The three witnesses previously referred to, were, in his opinion, "liars and forgers." Their character was not fully known at the trial, and the conviction of the prisoners had perforce depended very largely on their evidence, from which they expected to draw benefits.

Acting upon the recommendations of Mr. Justice Ewing, the Storey Government released ten of the prisoners on August 3rd; and three days later they appeared at a reception given in their honour at the Sydney Town Hall, each wearing a red camellia, while a banner suspended from one of the galleries bore the inscription, "Welcome to the Martyrs."⁴⁸

The liberation of these men was directly due to the efforts of Mr. Boote. There were debates in the New South Wales Parliament, but a study of the pages wherein they are enshrined does not reveal any argument which had not been provided in Mr. Boote's two series of articles. The fulcrum may have been the report of Mr. Justice Ewing, but the lever was Mr. Boote's pen. He began his crusade, apparently, with the aim of securing the liberation of his friend, Donald Grant, but found as he proceeded that the one case was welded to the others. He drew to the conclusion that the twelve men ought to be set free. The fact that his effort did succeed in ten cases was due to a remarkably able piece of journalism concentrated upon a particular object and animated by a fervent sense of justice and loyalty to a friend.

The Sydney I.W.W. cases stand by themselves, having, like a drama, their own *mise-en-scène*, development, and *dénouement*. But the activities of this organisation of Chicago origin were not confined to one city. In Western Australia eleven men were arrested, and nine of them were put on trial before Mr. Justice Burnside,⁴⁹ at Perth, charged with conspiracy to carry into execution an enterprise having for its object to raise discontent and disaffection among subjects of the King and to promote feelings of ill-will and enmity between different classes of the subjects of the King. One was a man 84 years of age. The most interesting evidence

⁴⁸ *The Sydney Morning Herald*, 7 Aug., 1920.

⁴⁹ Hon. Mr. Justice R. B. Burnside. Judge of Supreme Court of W. Aust., 1902/29; President of W. Aust. Arbitration Court, 1902/24. Of Perth, W. Aust.; b. Nassau, Bahamas, 22 April. 1862. Died 8 Aug., 1929.

produced at these Perth trials consisted of correspondence found by the police in the possession of some of the accused. The letters yielded clear proof of adherence to the professed objects of the I.W.W., as the following examples illustrate: "Spread the I.W.W. dope everywhere"; "The I.W.W. is going to own this country in a couple of years"; "Even the machines have a habit of revolting, strange, isn't it?"; "Keep my rifle, I will want it to take my part in the revolution when it comes, I don't want to fight the master with a stone in a sling, like David"; "Put in the boot, sabotage, kick like hell." The jury found the nine men guilty, and Mr. Justice Burnside accepted their verdict; but he was disposed to take a lenient view. He pointed out that the evidence did not show that any of the accused had committed any reprehensible acts. They appeared to him to be men of good character. The gravamen of their offence was the distribution of literature written by others; they were not connected with incendiarism, and several of them disapproved of acts of violence. He was prepared to let them go on their entering into recognisances to be of good behaviour, keep the peace, and obey the laws of the land. None of the accused had made any appeal for mercy, and all seemed surprised by the mildness of the judge's decision; but they walked out of court free and, as far as later evidence enables an opinion to be formed, chastened, though by a gentle hand.⁶⁰

The I.W.W. in Australia would have been extinguished sooner than was the case if the Unlawful Associations Act, 1916, had been more effectual. The act did, in its preamble, describe "the association known as the Industrial Workers of the World" as one whose members had been "concerned in advocating and exciting to the commission of divers crimes and offences." But it did not make membership of the organisation an offence. The amending Unlawful Associations Act, 1917, however, provided that "whoever becomes a member of an unlawful association" was liable to be imprisoned for six months. This power enabled the I.W.W. to be stamped out. The best example of its effectiveness was provided at Broken Hill, where, in September, 1917, thirty-four men on one day were charged before a magistrate with being "members of an unlawful association, to wit, the

⁶⁰ There are full reports in *The West Australian*, 19 Oct to 16 Dec., 1916.

I.W.W.", and all were sent to gaol for six months.⁵¹ There was a little trouble at Port Pirie, where the powers of the act were promptly applied. In Queensland several instances of attempts to set fire to cane-fields, and other acts of an incendiary and otherwise violent nature, bore strong evidence of being of I.W.W. origin; but here also the summary powers of the amended Unlawful Associations Act were sufficient to slay the hydra.

The I.W.W. was not a natural growth from Australian trade unionism; it was a foreign invention whose promoters were at variance with unionism of the orthodox type. One of the letters produced in evidence at the Perth trials contained the phrase: "Craft unions are our enemies; why keep them alive?" The leaders of unionism were under no delusions as to the destructive nature of the I.W.W., not only in respect to the destruction of property by fire and explosion, but also as to the destruction of unionism itself by the process which, a little later, came to be known as "white-anting." At a meeting of the central (Sydney) branch of the Australian Workers' Union, on the 15th of February, 1917, attention was drawn to the fact that certain emissaries of the I.W.W. had been endeavouring to bring about a crisis between the pastoral workers and the pastoralists throughout Australia, and the members of the union were exhorted "to beware of the machinations of the I.W.W. agitators," and to be guided by the advice of the officers of their own union. A speaker said that he had never known of a member of the I.W.W. endeavouring to organise for the betterment of the poorer paid workers; "I.W.W. men are purely parasites, living upon the work of others."⁵² Mr. Theodore, the Labour Premier of Queensland, was not less emphatic. Calling attention to the circumstance that I.W.W. agitators had been endeavouring to cause trouble in the Innisfail district, he said:

The I.W.W., as they exist in Queensland today, are simply a band of destroyers. They are not inspired by any ideals, and they have no policy for the improvement of society. Their policy is direct action and violence. It is a policy imported from other countries. It is a policy of despair and vengeance, totally uncalled for in Australia. . . . The I.W.W. have attracted to their organisation the reckless and extreme, and, in some cases, the criminal, elements of society.⁵³

⁵¹ *The Barrier Miner*, 3 Sept., 1917, a later case is reported on Sept. 6

⁵² *The Sydney Morning Herald*, 19 Feb., 1917.

⁵³ *The Brisbane Courier*, 22 Aug., 1921.

It is clear that the I.W.W. did attract to its ranks some trade unionists, and highly probable that the organisation was partly responsible for the feverish outburst of strikes during the years when its activities were at their height. In some instances where the evidence of I.W.W. influence is not explicit, its operation may reasonably be inferred, and was, indeed, both alleged as an offence and claimed as a merit at the time. The activity of this organisation also was no doubt greatly assisted by the general strain of war-time.

CHAPTER XXI

THE PATRIOTIC FUNDS

MILTON, in the noble sonnet "On his Blindness," remarking on the thousands who "post o'er land and ocean without rest," comforted himself with the reflection that "They also serve who only stand and wait." War, which evokes the deepest feelings of patriotism and the most eager desire for service among the physically and mentally capable, also imposes limitations upon thousands to whom its grim conflicts are barred. The too-old and the too-young are excluded, and the only active service allowed to Australian women was in that brigade of mercy founded by the robust genius of Florence Nightingale and sanctified by the sacrifice of Edith Cavell. But merely to "stand and wait" does not conform to the modern social spirit. There is very much that the civilian can do to help the fighting men in the field, and to provide for them and their dependants when war ceases. There was, in fact, no strata in Australian society from which help did not flow; old people and children alike contributed to the funds raised for benevolent purposes; thousands of willing hands gave work, and a surprising amount of extremely competent organising and directive ability was discovered among quiet people who began with a desire to be useful and revealed latent energies and talents unsuspected by their friends and themselves.

The first great impulse to give was evoked by the plight of the nations invaded by the German and Austrian armies at the outbreak of war, and particularly by the need of the Belgians. During the days when this small nation was being bludgeoned into helplessness, and later, as evidence began to arrive of the condition of this country, invaded and devastated in flat defiance of the most solemn pledges and of the law of nations, the wave of indignant sympathy that swept through Australia manifested itself in an outburst of giving—both directly to the Belgian and other refugees, and also to the forces that Great Britain and Australia were sending to fight for them. These

gifts were partly in kind. From pastoralists and others there poured in gifts of sheep for the refugees,¹ and of horses, motor cars and cycles, motor lorries, field kitchens, and other necessities for the troops. But the chief gifts were in money. Some of the "days" that were organised, beginning with "Belgian Day," are described later in this chapter. In addition to the money privately raised, the Federal Parliament in November voted £100,000 for the relief of Belgian distress. No complete record of these gifts has been kept, but they include the following:

	£
Belgian Relief	1,482,273
French (Red Cross and other) ..	695,053
Polish Relief	115,937
Italian Red Cross	89,910
Serbian and Montenegrin Relief ..	93,279
Russian	8,670
Armenian	7,302
Syrian	3,969
	<hr/>
	£2,496,393

The contributions from the several States to the above funds were:

	£
New South Wales	1,248,001
Victoria	642,784
South Australia	170,490
Queensland	262,598
Western Australia	100,850
Tasmania	71,670

The outpouring of money to relieve distress among the Allies did not end with the war. A movement, originating outside Australia, then began for the "adoption" of devastated towns or villages in France by certain cities in Allied countries. In Australia this was taken up chiefly in

¹ A remarkably large proportion of the earliest gifts for Belgium came from Queensland. By 14 November, 1914, Queenslanders had given no less than £51,522 of foodstuffs and £15,625 in money for Belgian relief. The Pastoralists' Union of New South Wales sent large gifts of mutton partly for the British troops, partly for refugees. Others sent butter and wine. The Prahran (Vic.) Municipal Council gave three motor lorries.

Melbourne, which adopted the village of Villers-Bretonneux. £22,700 was collected and was spent largely in rebuilding the village school. The Belgian Relief Committee at Adelaide also, having in hand a balance of £36,000, spent it in helping to restore the town of Lierre, twelve miles from Antwerp. The Belgian Government agreed to add five pounds for every one, and with the total money there was built beside Lierre a new town, which, in gratitude for the South Australian gift, was named "Sud-Australie."

II

The main object of Australian giving was naturally the relief and comfort, in the field and in hospital, of Australian soldiers. In the South African War in which some of the Australian troops were raised by the States, others by the Commonwealth, others for the British Government, and not a few by private effort, the British Government paid the troops after arrival at the theatre of war, and made itself responsible for their pensions and allowances on the British scale. The pay was in most cases supplemented by the Australian governments, and a few State pensions were granted, but in the main the care of the men's dependants and the repatriation of the men themselves—so far as it was undertaken—was carried out from the patriotic funds raised by private subscription. At the outbreak of the Great War there was a fairly general impression that patriotic funds must be raised for the same purposes. General Bridges, in his scheme for raising the A.I.F., wrote to the Minister (Senator Millen): "I strongly recommend that the Government guarantee pensions . . . and compensation for wounds The capital for this fund will probably be raised, as you suggested, by Patriotic Funds." But the Federal Government, by undertaking the responsibility for pensioning maimed soldiers and the dependants of those that were killed, and later by promising separation allowances, made it clear that the full duty of caring for soldiers and their families would not depend upon the generosity of individual citizens. But to the end the patriotic funds paid by far the greater part of the separation allowances for soldiers' families, and undertook a considerable part of repatriation and of the education of soldiers' children.

The amount of work done by women was a remarkable feature of the Great War, distinguishing it from every other war. No event in history has absorbed the energies of so many tens of thousands of women, testing their capacity for taking responsibility, their adaptability to unaccustomed tasks, and their physical powers. Great Britain could not have grappled so successfully with the ordeal cast upon her by the needs of her Allies, as well as by the necessities of her own exertions, if she had not been served by the hosts of women who toiled in factories, offices, and workshops. In all quarters of the Empire, too, countless voluntary workers contributed their aid.

The recognition of the obligation of service by women in a great national emergency was something new. In a special sense it was an acceptance of the implications of citizenship. When the eminent Victorian philosopher, Herbert Spencer, discussed the question of women's suffrage, he came to the conclusion that a right to take part in the politics of the country involved an obligation to share in its defence; therefore, he argued, "unless women furnish contingents to the army and navy such as men furnish, it is manifest that, ethically considered, the question of equal political rights, so-called, of women, cannot be entertained until there is reached a state of permanent peace." Australian women were enfranchised long before the war, but it is a remarkable circumstance that Asquith, the most formidable foe of the claimants of women's suffrage in Great Britain, renounced his opposition expressly because of what he observed of women's voluntary work during the war. His conversion was a commentary on Herbert Spencer's pronouncement, because it recognised that in modern warfare the men in the field would speedily be reduced to helplessness without the co-operation of another and even larger army remote from the firing line. A great king over six centuries ago laid down the principle, "*quod omnes tangit ab omnibus approbetur*"—what touches all should be approved by all. The war gave a fresh meaning to that aphorism, and the legion of voluntary war-workers responded honourably to the call. The philosopher cited above was essentially right. Nations can only endure if they are able to defend their existence. The man who fights may be the ultimate factor. But in the infinite complexity of modern war the women who

work for the men who fight are not less essential; and the significant fact worthy of emphasis is that under unexpectedly novel conditions the sudden call for a vast quantity of organised work should have met with such an enthusiastic and well-directed response from the voluntary army of workers.

III

Foremost among the many organisations which sprang into being under the inspiration of patriotism was the Australian Red Cross Society; and in this instance the extremely valuable work done during the war was, by international agreement, extended when peace came, and the Australian Red Cross Society thus became a permanent institution, a branch of the great league of red cross societies embracing every country in the world.

Before the war the St. John Ambulance Association which, in the town and on all railways, furnished trained men and women for ambulance work, had been well established and organised throughout Australia. Its teams were keen and capable. There was active competition between them, and the standard of proficiency was remarkably high. On the outbreak of war this association furnished a valuable reservoir of skilled recruits for the medical services, and the training given by it proved invaluable on the field.

Of the Red Cross Society, on the other hand, the only branch existing in Australia before the war was one formed in New South Wales. Here, after a meeting at which the work of the Red Cross Society in the South African War was explained by Colonel Roth² and Miss Gould,³ who had served there, Mrs. Laura Bogue Luffman⁴ had inaugurated the voluntary aid organisation—under which women undertook certain training in nursing and other tasks, to fit themselves for the service of the sick and wounded in war-time. The first effort met with only moderate success, and early in 1914, when not only external trouble but civil war in Ireland seemed

² Brig.-Gen. R. E. Roth, C.M.G., D.S.O., V.D. Commanded 5th Fld. Amb., A.I.F., 1915/16, D.D.M.S., 11 Anzac Corps, 1916. Medical practitioner; of Sydney; L. Brighton, Eng, 20 March, 1858. Died 3 Sept, 1924.

³ Principal Matron E. J. Gould, R.R.C. Served with A.I.F., 1914/18. Of Miranda, N.S.W.; b. Blaina, Mon., Wales, 29 March, 1860.

⁴ Mrs L. B. Luffman Journalist and author, of Melbourne and Sydney, b. Bedford, Eng, 17 Dec., 1846. Died 7 June, 1929.

a near possibility, Mrs. Langer Owen⁵ and others took up the task anew and invited Lady Helen Munro-Ferguson, the wife of the Governor-General, to speak in support of their aims. It happened that Lady Helen was interested in the work of the British Red Cross Society, and had some recent experience of it. The stimulus of her vice-regal patronage ensured success, and this capably directed society was already doing useful work in a quiet way, promoting classes for first aid and nursing, when the hurricane burst on the world.

It became apparent that local activities would have to be merged in a far-reaching Australian movement with very large funds at command, and Lady Helen became a moving spirit. As soon as war was proclaimed she realised that a great effort would have to be made, and, with the promptness which was not the least of her remarkable endowments, she forthwith set the machinery in motion for organising red cross societies in every State, as well as in the Northern Territory and Norfolk Island. War was declared on August 4th; on August 6th Lady Helen made an appeal through the newspapers for support, got into touch with persons who would be likely to be helpful, summoned preliminary meetings at Government House, and on August 13th presided over a gathering whereat the Australian Red Cross was definitely launched, and a Central Council appointed to direct its affairs. Within ten days from the commencement of the war, a very great thing had been done: there had been fully established an organisation which handled millions of money and dispensed thousands of tons of material, and then remained as a vigorous instrumentality of beneficence permanently in being.

Except for a few months at the beginning Dr. Edith Barrett⁶ undertook the honorary secretaryship, and Mr. Edward Miller⁷ not only acted as honorary treasurer but kept the accounts himself. Both remained in these offices through the war years, but the secretarial work soon became too large to be managed by honorary service. An eminently capable

⁵ Mrs. E. L. Owen. Of Sydney; b. Dublin, 4 Nov., 1865. Died 30 Nov. 1917.

⁶ Dr. Edith Barrett, C.B.E. Hon. Secretary, Aust. Red Cross Society, 1914/28. Medical practitioner; of Melbourne, b. South Melbourne, 29 Oct., 1872. Died 1 Feb., 1939. The first honorary secretary, Dr. J. W. (afterwards Sir James) Barrett, sailed for Egypt with No. 1 General Hospital.

⁷ Hon. Sir Edward Miller. M.L.C., Victoria, 1892/1912, Hon. Treasurer, Aust. Red Cross Society, 1914/28. Banker, of Melbourne; b. Richmond, Vic., 3 Aug. 1848. Died 27 Sept., 1932.

and vigorous permanent secretary was enlisted in the first year, in the person of Miss Philadelphia Robertson,⁸ who remained the chief executive officer of the Red Cross for its important post-war activities. The centre of the society was in Melbourne, where Lady Helen Munro-Ferguson took personal charge of the helm. The Red Cross was, indeed, her especial responsibility. The duties of the wife of a governor-general are at all times manifold, and during the anxious years of war they were magnified enormously. But this great lady, with experience of the embassies of the principal capitals of Europe and of vice-regal life in Canada and India also, seemed able to do everything with grace and ease and never to flinch before the magnitude of any task. She journeyed in every State to make herself personally acquainted with red cross workers, speaking the kindly word of encouragement and making decisions with firmness and tact. She officially opened many hospitals, convalescent homes, and workshops for soldiers, and, when at home at Government House, provided frequent entertainments for invalids returning from the front. Innumerable acts of thoughtful consideration were performed as cases presented themselves to her notice. Here, then, was a piece of work done with distinguished ability, both in detailed attention to the intricacies of an organisation which grew rapidly and enormously, and in the direction of large matters of policy. Lady Helen was an inspiration and a driving force which made the Australian Red Cross one of the foremost successes associated with Australia's part in the war.

A division of the Red Cross Society was formed in every State. Each branch was under the presidency of the wife of the Governor, and the committees were formed of distinguished citizens. The movement made a telling appeal to the country towns. In Victoria alone there were no fewer than 830 branches, in New South Wales 632. The total number of Australian branches was 2,200, to which were attached 82,000 women and 20,000 men and boy workers. About 400 persons worked overseas under the society's commissioners. "No hamlet or township," a report records, "was too small for the formation of a red cross branch. Garments were required by

⁸ Miss P. N. Robertson, O.B.E. Secretary-General, Aust. Red Cross Society, since 1915. Of Melbourne, b. Victoria.

the troops in undefined quantities." Many who had never handled knitting needles before busied themselves in making comfortable articles, and eventually succeeded. The Red Cross took steps to prevent good material being wasted by bad work. Not only did it keep on hand a warning exhibit of "shocking examples," but it printed a *Red Cross Instruction Book*, of which, by the end of 1916, the surprising number of 118,000 copies had been sold, and from which, consequently, a good profit was made.

Each State had its own central dépôt, with subsidiary dépôts for particular purposes. Thus, there were sixteen dépôts in Sydney, devoted to clothing, jams and pickles, tobacco, books and magazines, country and suburban supplies, old linen, and various other purposes. This State's branch also published a monthly magazine from which it made a profit, a *Red Cross Cookery Book* and a *Red Cross Knitting Book*, both of which yielded more grist for the mill. In Melbourne the central dépôt was established at Government House, where the stately ball room was transformed into what looked like a large warehouse, with long tables bearing huge piles of clothing, rolls of cloth, packing cases, and hospital supplies. In this dépôt 300 voluntary workers were employed, in addition to a paid staff of 40, chiefly experienced packers. One corner was occupied by a book dépôt staffed by members of the Victoria League, which packed and despatched an average of 950 cases of literature a year, for troopships, hospitals, and military and naval stations. In Government House stables a section was responsible for crutches, deck chairs, folding trays, screens, bedside lockers, and so forth. With the aid of 36 branches worked by men, this section was able to provide a huge amount of hospital equipment, and made it a justifiable boast that it never failed to meet any demand. Once when a cable came from overseas asking for a supply of metal footwarmers, a suburban branch which specialised in hardware at once promised its help; and within a surprisingly short time a collecting van gathered together the requisite number of footwarmers, and the volunteer assistants built them up in a tall pyramid surmounted by a union jack. When a request came for a violin for a sick man in Egypt, or a piano for a hospital ship,

the thing wanted was immediately forthcoming "If we had asked for a white elephant," remarked a volunteer worker, "within an hour or two the animal would have been led up to the door of Government House."

The reason for this promptness in obtaining supplies of all kinds was that manufacturers and tradesmen were always most anxious to help the Red Cross. They gave of their money and they gave of their goods. During the busiest year, 1917, when even the spacious ball room was inadequate, the Red Cross asked whether a supply of bales of flannel could be stacked in the state dining room. There was not time to move the carpets, and an official complaint was made about the white fluff that would settle down upon the scarlet pile. But Lady Helen was not troubling much about fluff, and was for the moment interested in flannel; so the bales went into the gilded apartment, packed under the direction of the dignified hall porter, who contented himself with the comment that what with the Red Cross meetings always being held in the state drawing room, and the state ball room turned into a warehouse, and the state dining room piled up with flannel, and the Red Cross secretary provided with quarters in the tower, he supposed that the Governor-General and Her Excellency would soon have to camp on the lawn. It never came quite to that; and if it had, a worker commented, Lady Helen would merely have said "Very well."

The wide scope of the activities of the Australian Red Cross was not the least astonishing thing about its work. The primary responsibility was the distribution of articles of clothing and comforts. During 1914 to 1918 this wonderful organisation, from the Federal Government House *dépôt* alone, received and distributed among the soldiers 320,389 suits of pyjamas, 457,311 shirts, 130,842 underpants, 1,163,049 socks, 142,708 mufflers, 83,047 pairs of mittens, 3,000 cases of prepared old linen, and vast quantities of other comforts.⁹ To the Australian soldiers on the Western Front the Red Cross supplied 10,500,000 cigarettes, 241,232 ounces of tobacco, 94,007 tooth brushes, and 57,691 tobacco pipes, as well as over

⁹ These are additional to the articles furnished by the individual States, outside Victoria. For example, the New South Wales supplies included 204,894 suits of pyjamas and 230,255 shirts.

65,000 tins of cocoa-and-milk and coffee-and-milk, and even 869 primus stoves. Statistics are notoriously dull, and to many people they are almost meaningless. But these figures contain depths of meaning which convey an eloquent message to the old campaigner. He knows what they mean. A few lines from a report by Mr. Murdoch,¹⁰ Red Cross commissioner in France, will give point to one item. He had seen a weary and harassed procession of Australian soldiers limping towards the field ambulance tents after a long march, suffering from blistered "and sometimes skinless feet," for want of socks. Within five hours he was able to deliver five cases of good woollen socks. He could not procure lorries, so he brought the cases in his own car. Often the Red Cross stepped in where the army commissariat department was temporarily unable to supply a want. During the Somme Battle the commander of a field ambulance wanted enamel plates, mugs, knives, and forks. His men, he said, were eating from Maconachie-ration tins; "knives forks and spoons don't matter so much, as they can use their fingers, but the great difficulty is to obtain dishes to put their food into and to drink out of." The matter affected the health of the troops, and the Red Cross, jumping at the opportunity of being useful, supplied the plates and dishes.

A department of the Australian Red Cross for the supply of parcels and comforts to Australian prisoners-of-war in Germany was established in London in 1915. Mr. Fairbairn¹¹ was placed in charge of this work. He paid a visit to Switzerland to inspect the methods of the *Bureau de secours aux prisonniers de guerre*, and decided to work through that agency as far as possible. The bureau made a special feature of its weekly supplies of bread to prisoners-of-war, and it was found that bread baked in Berne reached the prisoners in much better condition than that baked in England. The bread sent from Berne to Australian prisoners in Germany cost £18,263. The supplies sent to prisoners in Germany through this bureau reached their destination in 98 per cent of cases. Good

¹⁰ Lieut.-Col. Hon. Sir James Murdoch, K.B.E., C.M.G. Commissioner, Aust. Red Cross Society, with A.I.F., 1915/16, Chief Commissioner, 1917/18; M.L.C. N.S. Wales, 1923/34. Governing Director, Murdoch's Ltd., Sydney; of Wahroonga, N.S.W., b. Edinburgh, 10 March, 1867. Died 30 Jan., 1939.

¹¹ Lieut.-Col. F. W. Fairbairn, O.B.E. Commissioner, Aust. Red Cross Society, London, 1915/17. Grazier; of Logan Downs, Q'land, b. Richmond, Vic. 21 July, 1865. Died 25 Feb., 1925.



51 LADY HELEN MUNRO-FERGUSON, PRESIDENT OF THE AUSTRALIAN
RED CROSS SOCIETY, 1914-20

Photo by H. Walter Barnett, Hyde Park, London

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52. THE BALLROOM AT GOVERNMENT HOUSE, MELBOURNE, CONVERTED INTO A STOREROOM
FOR THE RED CROSS SOCIETY

(See also Vol. XII, plates 732-33)

Photo by "The Weekly Times" Melbourne

working relations were established with the commandants of many prisoners' camps in Germany, who, on the whole, facilitated the processes superintended by the bureau. Mr. Fairbairn, however, concluded that the food and clothing supplied to Australian military prisoners were insufficient. He therefore arranged for the sending of extra supplies, which were provided by the Australian Red Cross. It was rather more difficult to ensure that supplies should reach Australian prisoners-of-war in Turkey, but Mr. Fairbairn got into touch with the United States embassy in Constantinople, and arranged for the forwarding of money through its instrumentality. After America came into the war in 1917, this channel of communication was closed.

During the war, 395,595 parcels of food were sent to Germany, Turkey, Holland, Austria, and Switzerland at an approximate cost to the Red Cross funds of £176,000. As the total number of Australian prisoners-of-war was 4,353, it is evident that the Red Cross exerted itself to send as much food as was permitted by the regulations. In addition to the food supplies, 36,369 parcels of clothing were sent, together with such supplies as tooth brushes, playing cards, tobacco, cigarettes, and—for entomological warfare—insect powder. Further, the Red Cross accepted the responsibility of spending money in behalf of the prisoners, for such permitted articles as were asked for by them; and it had as many as 3,000 private accounts to keep for the maintenance of this very useful service.

In 1915 the Red Cross established in Cairo a Wounded and Missing Inquiry Bureau, and was fortunate to find the right person to control it. Miss Vera Deakin,¹² the youngest daughter of one of the founders of the Commonwealth who was thrice Prime Minister, undertook this service as secretary, and, with the excellent staff which she gathered around her, was able to render very welcome service. The work of this bureau, which later moved, like A.I.F. Headquarters, to London, was especially onerous after the great battles on the Western Front, when letters poured in from relatives of soldiers from whom no news had been received. It

¹² Mrs. T. W. White, O.B.E. Hon. Secretary, A.R.C.S. Inquiry Bureau for Wounded and Missing Cairo, 1915/16, London, 1916/19. Student, of South Yarra, Vic., b. South Yarra, 25 Dec., 1891.

was necessary to pursue enquiries in hospitals, behind the lines and scattered throughout the United Kingdom. This task, though often of much difficulty, was pursued with conspicuous intelligence and sympathy, and the information supplied was very gratefully received.¹³

Another kind of information bureau was established in the Australian capital cities, to make enquiries, at the instance of relatives, concerning the fate of men of whom nothing had been heard for a long time. This work was undertaken by members of the legal profession at their own expense, though it was conducted under the auspices of the Red Cross. As many as 10,000 enquiries were made by the bureau, and the information supplied to anxious relatives. Red Cross "searchers" on all fronts and in hospitals and camps gathered information about the wounded and missing for the enquiry bureaux. Cabled enquiries and replies, all sent free of cost by the Eastern Extension Cable Company, totalled 106,060.

Another useful adjunct was the Red Cross Advice Bureau, which, on the suggestion of Mr. Marsden Maddock¹⁴ of Melbourne, was opened there in 1915 under the direction of Mr. Arthur Robinson,¹⁵ then honorary secretary of the Law Institute of Victoria. The bureau assisted soldiers going to the front to adjust their private affairs, made wills for them, and drew up powers of attorney. It gave advice to widows, wives, and dependants of soldiers as to their rights under military acts and regulations, and prepared all necessary documents free of charge. Both city and country solicitors co-operated with the bureau, and all services by the legal profession were rendered free. Over 7,000 soldiers made use of these facilities.

The particular field of the Red Cross was, of course, the military hospitals, convalescent homes, rest camps, and other medical institutions in Australia and abroad. It provided, besides comforts and clothes, such equipment as billiard tables and pianos—and, in urgent cases, surgical appliances; it fitted

¹³ The cards of the system introduced by Miss Deakin are still kept in the War Memorial Collection, and are used in the compilation of this history.

¹⁴ M. Maddock, Esq. Trade journalist; of Melbourne; b. Portland, Vic., 4 Dec., 1886.

¹⁵ Hon. Sir Arthur Robinson, K.C.M.G. M.L.A., Victoria, 1900/2; member of C'wealth House of Reps., 1903/6; M.L.C., Vic., 1912/25. Barrister and solicitor; of South Yarra, Vic.; b. Carlton, Vic., 23 April, 1872.

up recreation rooms, supplied electric fans and radiators, and arranged entertainments. It had innumerable red cross kitchens under its direction. It negotiated with the owners of motor cars for giving convalescent soldiers country excursions in pleasant weather. Its hospitality department in Great Britain arranged delightful visits for soldiers on leave after convalescence; and this department had on its books the names of over 200 owners of great houses and estates who threw open their properties for visits, or took soldiers as guests. It further interested itself in the comfort and welfare of army nurses, on troopships, in hospitals, and by providing rest homes for them—and no form of kindness was more richly earned than that shown to these devoted and hard-worked women. In short, there was no kind of useful service connected with the sick or wounded or “missing” which the Australian Red Cross did not eagerly and enthusiastically undertake; and it never failed to find willing workers to do anything that might be required.

Like other Australian voluntary organisations for the benefit of the troops, the Red Cross experienced a serious failure—but only one. Although immense work was being undertaken in Australia—needles plying day and night, and money and gifts pouring in from suburb, farm, and station—very little of all this reached the sick and wounded Australians actually on the Gallipoli Peninsula, at least during the critical months of the Dardanelles campaign. “Indeed it is doubtful,” writes the historian of Anzac,¹⁶ “if the majority, either of the men or of the medical officers who clung to duty at Anzac, realised at this time that such a fund existed.” This circumstance, which is exactly paralleled in the history of the other great organisation for the comfort of the A.I.F., the Australian Comforts Fund, was due to the failure of those who were raising the funds in Australia to ensure at first that there should be an efficient organisation oversea to carry out the distribution of the comforts. They relied on the army authorities for this part of the work. It would, however, be unfair to impute lack of foresight to the leaders of these civilian organisations. They had no knowledge of war, and their attitude was doubtless determined by that of the army authorities—not so much

¹⁶ *Vol. II* of this series, p. 381.

by any visible positive efforts of the military staff to foresee the conditions and provide the necessary organisation as by its instinctively negative attitude towards the intervention of civilians. Thus the original Director of Medical Services of the A.I.F., Surgeon-General Williams,¹⁷ was at first entrusted by the Australian Branch of the Red Cross with the distribution of its money and stores to Australian troops oversea. The military staff of the A.I.F., like that of the British Army, eventually reached a state of extreme efficiency, but early in the war, when both staff and forces themselves were being rapidly developed, it was too much to expect that full attention could be given to services which, essential though they were, were not the immediate instruments for fighting the enemy. The officers upon whom fell the administration of Red Cross affairs in Egypt were burdened by more duties than any man could efficiently manage. Yet, when the Australian wounded and sick from Gallipoli streamed back into Egypt, and the problem of accommodating them became acute, they solved it largely by a bold use of Red Cross funds.¹⁸

In August, 1915, this inadequate system was ended by the sending to Egypt¹⁹ of two Red Cross commissioners, Messrs. Norman Brookes²⁰ and Adrian Knox, the former internationally famous as a lawn tennis player, the latter afterwards Sir Adrian Knox, the second Chief Justice of Australia. On the 11th of that month they took over the society's representation in Egypt, working without remuneration. From that time the activities of the Red Cross developed without a hitch. Mr. Knox opened a dépôt (already projected by the previous military administration) at Lemnos, and himself early in October took to Anzac a first instalment of the supplies that might now be expected there. He also furnished his principals in Australia with a special report on the work of the Australian

¹⁷ Surgeon-Gen. Sir W. D. C. Williams, K.C.M.G., C.B. Director-General, Medical Services, Australia, 1902/14; D.M.S., A.I.F., 1914/15. Of Melbourne and Sydney; b. Sydney, 30 July, 1856. Died, 10 May, 1919.

¹⁸ See *Vol. II* of this series, pp. 404-5; and Butler, *Official History of the Australian Army Medical Services*, *Vol. I*, pp. 202-3.

¹⁹ They travelled at their own expense.

²⁰ Lieut.-Col. Sir Norman Brookes, Commissioner, Aust. Red Cross Society, Egypt and France 1915/16. Asst. Commissioner, British Red Cross Society, Mesopotamia, 1917/18. Supply & Transport Staff, Mesopotamian Exped. Force, 1918/19. Company director, of South Yarra, Vic., b. Melbourne, 14 Nov., 1877.

Red Cross in the Egyptian hospitals. After he returned to Australia—having contracted a severe illness—Mr. Brookes was assisted by Mr. Hayward.²¹ On the transfer of the Australian infantry to France, the work rapidly expanded, two other well-known Australians, Messrs. Murdoch and Fairbairn, also becoming commissioners, with a capable staff of assistant commissioners.²²

The foreign services of the Red Cross involved the establishment of dépôts in Great Britain, France and Egypt, and efficient representation in Ceylon, Bombay, South Africa, Mesopotamia, Gibraltar, Malta, Switzerland, Rabaul, and Sierra Leone. Of the five dépôts in France, one moved on with the advancing troops. In the true spirit of service, the Australian Red Cross assisted its sister services abroad. In 1916, as the result of a special appeal throughout Australia, it sent £47,000 to the parent society in Great Britain for the benefit of the sick and wounded under its care; and in 1917 £125,000 was collected in Victoria alone for the same purpose. Large gifts of food and clothing were also made to the French Red Cross, and to kindred societies in Italy, Belgium, Roumania, and Greece. These gifts especially touched the French recipients, whose imagination kindled at the thought of these things coming to them from allies so far away. An illustration of the promptness of the Australian Red Cross to give assistance of the kind wherever it was wanted is afforded by a passage in a report by the distinguished English surgeon, Sir Frederick Treves,²³ to the British Red Cross Society. "The generosity," he wrote, "with which Australia has provided motor ambulances for the whole country (Egypt), and Red Cross stores for everyone, British or French, who has been in want of the same, is beyond all words. I only hope that the people of Australia will come to know of the

²¹ Lieut.-Col. E. W. Hayward, C.B.E., Commissioner, Aust. Red Cross Society, Egypt and France, 1915/18. Merchant; of Adelaide; b. Adelaide, 26 Jan., 1881. Died, 28 Aug., 1933.

²² For convenience in dealing with the British military officials, these officials were afterwards given military rank, the commissioners that of lieutenant-colonel, assistant commissioners that of major.

²³ Col. Sir Frederick Treves, Bt, G.C.V.O., C.B. A founder of the British Red Cross Society. Surgeon; of London, b. Dorchester, Eng., 15 Feb., 1853. Died, 7 Dec., 1923.

admirable manner in which their wounded have been cared for, and of the noble and generous work which that great Commonwealth has done under the banner of the Red Cross."

Working in conjunction with the Red Cross were the voluntary aid detachments, consisting of men and women, who assisted the military authorities in arranging for the comfort of returned sick and wounded soldiers. The V.A.D. was established in August, 1915, at the instance of Lady Helen Munro-Ferguson, who appreciated the need for a staff of persons who would undergo some amount of training for the special work for which they were required. A nucleus for the V.A.D. was found already in being in the corps of more than 600 trained men and women of the St. John Ambulance Association, whose branches throughout the railways and other industries had already provided large numbers of well-trained recruits for the medical units of the A.I.F. But the Red Cross wanted many more, and volunteers came forward gladly. More than 10,000 young women volunteered for this service, and their smart uniforms and alert manner became familiar in the streets of the cities of Australia, as they hurried about their allotted tasks. Whether a V.A.D. was set to attend to a rest home, or cook in a kitchen, or assist at a hospital, or polish a floor in one of the soldiers' huts, the work was always briskly and competently done.²⁴

The whole of the funds administered by the Australian Red Cross were obtained by voluntary contributions. The public gave liberally. At no time during the war was this noble service hampered for lack of money. The accounts published in the annual reports of the Australian Red Cross necessarily contain only the financial details, but in addition to those figures of sums received and spent, goods to an incalculable amount were given by individuals and firms. Regard must be had to the tens of thousands of articles contributed by people in every corner of Australia and also the value of the voluntary service of thousands of workers, if an idea is to be formed of the totality of the liberality of the

²⁴ See Vol. XII, plates 732-735.

public. The following figures show the main items of expenditure on red cross work in Australia and overseas for the years 1914-19:

	£
Money remitted to the commissioners, England, Egypt, and Cape Town, including special donations for prisoners-of-war ..	979,007
Money expended in providing in Australia for sanitoriums, rest homes, invalid equipment, etc.	465,746
Money donated for and remitted to the British Red Cross Society	253,920
Money donated for and remitted to Allied societies	64,530
Value of goods exported to commissioners abroad	1,266,731
Value of goods supplied to military hospitals in Australia	462,697
Value of goods supplied to transports for use of sick and wounded	103,905

Lady Helen Munro-Ferguson, in signing the report of the Red Cross for 1918-19, paid a warm tribute to the women of Australia, "thanks to whose persistent industry, power of organisation, and generosity success has been achieved." No praise was ever more richly deserved. But good will and capacity alone would not have achieved such a splendid record of valuable work. Skilled, sympathetic, and capable direction was also needed. Inspiration was the breath of life to the thousands of workers who gave their days and nights during five anxious years to unremitting labour. The secretary, Miss Robertson, proved an ideal executive officer; but all who were connected with the Red Cross knew that the directing and inspiring mind was that of the wife of the Governor-General. In an address to Lady Helen presented on the eve of her departure from Australia, the Central Council of the Red Cross commented on the work done by the society's president "under conditions of stress and strain which made it a matter of unceasing wonderment as to whence came the strength to

maintain so heavy a burden." The reply befitted the occasion:

To be associated together in work, to share the same responsibilities, anxieties and successes, is a wonderful bond, and I feel that I owe much to the Red Cross Society, as, but for the opportunities it gave me, I might never have come into close personal touch with the splendid organisers and workers who rallied to the Red Cross and were its backbone. I might have remained outside your lives, and have been always with you, but not of you. As it is, I can truly say that during these six years your land has been my land and your people my people, and when my friends congratulate me on "going home", I often feel that I would like to receive condolences on leaving a home which has become very dear to me.

IV

By the Geneva Convention, under which it operated, the activities of the Red Cross Society were confined to the prevention and alleviation of sickness and the succouring of the wounded. On these conditions were dependent the rights of neutrality which belonged to those engaged in the work. Assistance, however much required, to soldiers in full health and fit for service, was outside the field of red cross work. Such assistance, however, has been required in every modern war, by the troops both in local camps and at the front, by those returning on furlough or discharge, and, in many cases, by their families.

During the South African War large patriotic funds had been raised in Australia by voluntary subscription, and as soon as the Great War broke out such funds were opened by the Lord Mayors of Melbourne and Sydney, and the Mayor of Brisbane, and within a few days steps were taken to provide definite schemes and authorities for their management.²⁵ In Melbourne a meeting called by the Lady Mayoress²⁶ in the Town Hall on August 7th established the "Lady Mayoress's Patriotic League," to control the Victorian fund with the object of providing comforts for the men of the Australian navy and of the military forces then being enlisted. In Sydney, a public accountant, Mr. Le Maistre Walker,²⁷ noting an anonymous donation from "Patriot" of one shilling in the

²⁵ The data for this narrative were largely obtained from *The History of the Australian Comforts Fund*, by Mr. Samuel H. Bowden, the honorary publicity organiser for the fund.

²⁶ Mrs D. V. Hennessy (afterwards Lady Hennessy, C.B.E.).

²⁷ C. A. Le Maistre Walker, Esq., C.B.E. Hon. Gen. Secretary, Aust Comforts Fund, 1916/19 Chartered accountant; of Sydney; b. South Melbourne, 27 March, 1873.

list of the Lord Mayor's fund, and recognising the chance that lay in the collection of these smaller gifts, called a meeting on August 17th, at which it was decided to install collecting boxes in business houses and factories, for a fund to be known as the "War Chest." The object of the fund was "to give assistance in any emergency arising from the war," and to co-operate with others in doing so. In Brisbane the Mayor's fund was on August 10th formally incorporated in a "Queensland Patriotic Fund," primarily for the benefit of Queensland soldiers, but also for assistance to any allied forces or to distressed civilians or to the Red Cross.

It is obvious that, especially in the early days, the objectives of these funds were very wide. Comforts for the British troops and distress in Belgium provided the first obvious calls, and the earliest gifts, especially from Queensland and New South Wales, were largely for these. At the same time socks and shirts were required for the men enlisting in the A.I.F., and contributions of clothing, food, and tobacco began to be received for them and for the British soldiers in Europe. The objectives were not yet fully distinguished by the organisers of either effort from those of the red cross, and the notions as to the soldiers' requirements were vague. Thus War Chest money was sent to England to purchase three motor ambulances for the use of the Australian troops when they arrived there; one of these was delivered after many adventures by two unpractised drivers—Australian officials in London—to a British hospital in France, and the other two, in addition to many contributed by Red Cross funds, formed the nucleus of the fleet of ambulances at A.I.F. Headquarters, London. An outright gift for fighting purposes was the "Australian Air Squadrons' Fund," organised by Mr. Alma Baker,²⁸ for the provision of aeroplanes for the British air force. The money was forwarded to the British government, 41 machines being thus provided by New South Wales and Queensland; 53 were similarly given by Malaya.

During the first nine months of the war, material and money were sent overseas to the Agents-General, or to particular commanders or other authorities, for a large variety of needs—for Belgian refugees, French or British soldiers in the

²⁸ C. Alma Baker, Esq., C.B.E. Rubber planter and mine owner, with interests in Australian and New Zealand sheep and cattle stations; of Batu-Gajah, Perak, F.M.S.; b. Ravensbourne, Otago, N.Z., 1859. Mr. Baker gave four of the Malayan planes and bore all organising expenses.

trenches, or for the Australian troops training in Egypt. The Australian military staff in Egypt, concentrating its attention upon training the troops, accepted and distributed large gifts of socks, shirts, and underclothes, but was slow to realise what might be done for the moral and physical welfare of the troops by using these funds for purposes of general comfort and recreation. The military leaders overseas were indeed barely informed as to the existence of the "Comforts"—as distinct from the Red Cross—funds; while, in Australia, the organisers of the funds for their part were largely unaware of the soldiers' needs. With one chief exception—that of the representative of the Salvation Army—even most of the chaplains of the original force, despite their great personal efforts, failed to see the wide field that lay open to them in the provision of a system of physical and mental recreation for the troops beyond the limited facilities then furnished by the Y.M.C.A. It was actually the British residents of Cairo—Anglo-Egyptian civil servants and business men and their wives—who first met the need by providing and maintaining a club for the Australians at the light horse camp at Maadi.

To civilians in Egypt the need for some authority overseas to minister to the comfort of the Australian troops was so evident that a committee was formed there by a well-known Sydney woman, Mrs. Alice Chisholm,²⁹ together with Mr. Hopkins³⁰ (a local English civil servant), and several other leading Anglo-Egyptians and Australians, to organise the distribution of local and Australian gifts. The A.I.F. authorities in Cairo transferred to it their "Gifts Department," which till then had received most of the contributions from Australia; and the committee assumed the title of the "Australian Comforts Fund." When the A.I.F. plunged first into heavy fighting at the Gallipoli Landing, and its wounded and those of the British streamed back to Egypt and overflowed the hospitals there, the need for comforts beyond those provided by the Red Cross became urgent, and senior officers of the New South Wales and Queensland light horse³¹ who were still in Egypt telegraphed to the controllers of the funds in those

²⁹ Dame Alice Chisholm, D.B.E. Of Woollahra and Pennant Hills, N.S.W.; b. Reevesdale, Bungonia, N.S.W., 3 July, 1856.

³⁰ J. F. G. Hopkins, Esq., O.B.E. Chief Inspector of Finance, Egypt, 1909/19; Comptroller, Department of Commerce and Industries, Egypt, 1919/23. Of Eastbourne, Eng; b. Skelton, Cumberland, Eng., 22 Dec., 1874.

³¹ Colonels G. deL. Ryrie and H. J. I. Harris.

States, urging them to send money at once to this committee, and intimating that the funds were needed for "wounded soldiers in hospital in Cairo." Several thousand pounds were immediately telegraphed. But this sudden request made clear the necessity of special representation overseas. "We cannot wait for our soldiers' needs to be thus, as it were, accidentally communicated to us," said one of the Sydney committee. "It is imperative to send somebody over to Egypt . . . to anticipate their every need."

Accordingly a commissioner was chosen, Mr. Budden,³² a Sydney architect, who at his own expense undertook the office. The Minister for Defence gave official recognition to the appointment provided that the commissioner would agree also to represent all other similar funds in the other States. The committee in Cairo were informed, and after Mr. Budden's arrival, at a meeting held in Cairo on 13th September, 1915, a new system was established there. The Australian Red Cross commissioners who were present explained the legal limits of red cross work. It was decided that the Australian Comforts Fund should henceforth exclude all activities proper to the Red Cross and *vice versa*. As a general rule the Red Cross now made provision for all men who were under a medical commanding officer, the Comforts Fund for all under a military commander. To the latter the Fund supplied three main classes of comforts—supplementary food, supplementary clothing, and means of physical and mental recreation.

As the commissioner had been given by the Australian committees full executive power, the Cairo committee, which had performed work that the Australian people should never forget, became merely advisory, and its place was gradually taken by the oversea staff of the Comforts Fund. The first action of the Comforts commissioner, as of the commissioners of the Red Cross, was to get a consignment of his goods to Gallipoli, where the troops had been fighting for five months practically without such assistance. After selecting 300 cases of tinned fruit and other suitable gifts (some of them presents from the Victorian State Schools' Patriotic League) Mr. Budden secured space in the ferry *Osmanich*, and though the honorary secretary (Mr. Larcombe³³) had to load the slings

³² H. E. Budden, Esq., C.B.E., Chief Commissioner, Aust. Comforts Fund, 1915/17. Architect, of Sydney. b Rockley, N.S.W., 11 Aug., 1871.

³³ Major W. F. A. Larcombe. Public accountant, of Burwood, N.S.W.; b. Sydney, 15 May, 1871.

and Mr. Budden to stow them in the steamer's hold, the commissioner, travelling together with Mr. Knox of the Red Cross, eventually got his shipment to Anzac Beach. Shortly afterwards, when the commissioner, with 3,000 cases of comforts for a great Christmas distribution, had actually sailed for Gallipoli, a sudden order came to cease all distribution. The consignment was stopped at Lemnos Island, where a few days later the Christmas comforts were handed out to the army which had meanwhile carried out the famous evacuation of Anzac and Suvla.

While the distribution at the front was thus being rapidly systematised, the raising of material and money in Australia was still carried out separately by the States, and by many separate bodies within each State. The chief instrument in Victoria was still the Lady Mayoress's Patriotic League, in New South Wales the War Chest, in Queensland the Patriotic Fund. In the other States, although keen voluntary work had begun everywhere at the outbreak of war, it had been mainly for the Red Cross, or for funds for alleviating distress among the Allies. The necessity for separating funds for the comfort of "fit" fighting troops was not recognised until the Gallipoli campaign was in progress. Much of the activity started with an effort to supply sandbags needed for the protection of the trenches, it being reported that the troops were short of these. Such work could obviously not be undertaken by the Red Cross. In South Australia work for the "fit" troops was taken up by the "League of Loyal Women"; in Western Australia by the Victoria League (assisted by movements in the goldfields and by the "Karrakatta Club" in Perth); and in Tasmania by the "On Active Service Fund." The effort to provide "comforts" was as general as that of the Red Cross and second only to it in productivity. Each of the State organisations worked through numerous branches and allied associations, some independently inaugurated, others founded by it to exploit some special method. Thus an "Old Metals" branch was organised in Western Australia to raise money by the collection and sale of old metal. Another fund was raised by the sale of waste-paper. Shops were started in all States to raise money by the sale of food and other gifts.

In the first half of 1916 the work of distribution oversea was greatly expanded on the transfer of the Australian infantry

to France. An assistant commissioner of the Australian Comforts Fund was attached to each Australian infantry division, and other of its commissioners took over the work in Egypt, Sinai, and Palestine. In France the Australian officials had much difficulty, not through any desire of the British G.H.Q. to obstruct, but through the British Army having no similar organisation of its own, and being unable to digest this special institution with its civilian staff. Officials of the Comforts Fund, although able to work freely in the Anzac Corps areas, were subjected, when outside these, to the nightmare processes of travelling upon "Red Workers' Passes." When hurrying to supervise consignments, they were on several occasions arrested as suspected spies, and their work was so hindered that Mr. Woodburn,³⁴ who had then succeeded Mr. Budden as chief commissioner, was forced to appeal to the A.I.F. command. The difficulties were then almost magically dissipated by the simple process of securing for the officials of the Fund the rank of military officers.³⁵

In Australia it had become obvious that a union of the different State organisations there, corresponding to the arrangement already made at the front, was imperative. Accordingly, at a conference held on 4th August, 1916, in Melbourne, a proposal from the War Chest (N. S. Wales) was approved by which all the chief bodies were combined as State divisions of a single "Australian Comforts Fund," with Mr. Le Maistre Walker as honorary general secretary. The headquarters were in Sydney, which became the recognised centre for this effort as Melbourne was for the Red Cross. Under general direction of a central executive, the State divisions, still working through their original organisations, supplied the stream of goods and money required. Very large sums were obtained by means of "button days." Of these, the War Chest in New South Wales organised three, on 30th June, 1916, 28th September, 1917, and 29th November, 1918, on which dates the receipts were £42,856, £170,000, and £140,000 respectively.³⁶ These funds were used for the

³⁴ Lieut.-Col. T. S. Woodburn, C.B.E. Commissioner, Aust. Comforts Fund, 1915/17, Chief Commissioner, 1917/19. Pastoralist; of Dunkeld, Vic.; b. Dunkeld, 24 June, 1881.

³⁵ The Chief Commissioner became a lieutenant colonel, the commissioners majors, and the assistant commissioners captains.

³⁶ See Vol. XII, plate 739.

purchase of tinned food and other material, the money being spent as far as possible in Australia. Thus, of £556,326 raised in money by the New South Wales War Chest, over £262,000 was locally spent on food and clothing. Some of the comforts most urgently required, however, were those best obtained from the producing countries. For example, 36 million cigarettes and 62,000 lb. of tobacco were bought mainly from America, and another 55 million cigarettes and 52,000 lb. of tobacco were presented by the Overseas Club Tobacco Fund, an organisation largely supported by British citizens in foreign countries as well as in the dominions. In England, over £102,000 was spent in tins of cocoa, coffee, and milk, £5,600 on footballs, £4,300 on cricket material, £2,300 on boxing gloves, £2,450 on playing cards, £12,250 on writing material, £9,200 on gramophones, and £24,000 on "Tommy cookers" for heating food in the trenches. Tinned fruits, milk, dried fruits, and material for clothing were bought in Australia. Australian firms helped in the overseas buying, and goods were carried free of freight.

But the heaviest work of provision fell upon the innumerable sewing and knitting circles in Australia which provided the clothing. In addition to thousands of working branches, all infantry battalions and many other units were supplied by their own associations, most of these at first independent, but eventually all registered with the chief organisation in the State and sending their comforts, though usually not their money, through it. The goods supplied by these associations were earmarked for their own units and, sometimes, for individual men. The 2nd Infantry Brigade's organisation alone raised £4,185, maintaining its own dépôt in the centre of Melbourne, with branches at Bendigo, Mildura, and Ballarat. It published a magazine, maintained a shop, and sent large consignments of comforts to its special troops.

So great was the need for knitted clothes that the work outgrew the supply of knitting needles and of knitting wool. In Victoria the Lady Mayoress's Patriotic League had to inaugurate the industry of manufacturing knitting needles out of the spokes from old bicycle wheels. Old fashioned spinning wheels were imported by the Fund, and the voluntary workers were trained in making their own thread, as well as in cutting out and in the making of sheepskin vests. The New South

Wales War Chest alone, apart from many battalion organisations in that State, sent 664,000 pairs of socks, 196,000 shirts, 76,000 kit-bags,⁸⁷ 19,000 sheepskin vests, 46,000 underpants. The Victorian division sent 483,000 pairs of socks, 189,000 shirts—and so on. The War Chest sent 8,000 bats and 10,000 balls for cricket. The total value of the comforts provided by the Fund cannot be accurately assessed, since, especially during the earlier years, some of the smaller organisations furnished money and comforts direct to the troops, others sent through the Australian headquarters, and others again direct to the commissioners overseas. An attempted dissection of the published accounts, however, gives the following figures representing the support from the Fund for the troops or other recipients overseas:

		Comforts sent from Australia £		Money for pur- chase of comforts overseas £
New South Wales	..	563,562	..	143,676
Victoria	..	404,270	..	59,893
Queensland	..	100,216	..	37,119
South Australia	..	45,036	..	54,527
Western Australia	..	37,968	..	31,422
Tasmania	..	20,820	..	20,365

To this must be added the immense effort expended in Australia upon troops in camps, provision of clubs and hostels, and other assistance to recruits or returned soldiers and to their families. The total money value of comforts furnished by this fund was probably about £1,750,000. The administrative expenses were low—for the Victorian division, they are stated to have been only 3s. 9d. per £100.

The A.I.F. was far from being the only beneficiary of these funds. In the smallest State, for example, Tasmania, the southern districts subscribed £28,000 to help the Belgians, and the northern £30,000. Indeed the comforts supplied by the general fund went much farther than even the executive thought that they probably would go. In the second year of

⁸⁷ It was ascertained that, although the Government only provided one kit-bag for each soldier, it permitted him to provide himself with another—both being for the storage of surplus kit at the base. The Fund at once, with the help of many sewing parties throughout the State, provided the bags required.

the war, a young woman, who, though working through the Comforts Fund, had packed parcels with goods of her own making and choosing, consisting of socks, woollen jackets, cigarettes, tobacco, tins of preserved fruit, jams, and so forth, and had enclosed her name and address in each packet, received a postcard written in a strange language. She took it to the Melbourne public library to see if anybody there could read it. With some difficulty a person was found who was able to make a translation. It proved to be a message from a Serbian soldier lying in a hospital in Greece, informing the "kind little sister" that he had received her gift, and wished to "kiss her hand" in gratitude.

An important activity of the Fund was the inauguration and maintenance of the "War Chest Club," opposite the Administrative Headquarters of the A.I.F. in Horseferry-road, London. An Anzac Hostel with a similar purpose—that of furnishing a club and quarters for men on leave—had been established³⁸ by means of the War Chest Fund in Cairo. In London a building, the Industrial Museum, opposite the gates of A.I.F. Headquarters, was obtained; other premises were afterwards taken in, and the club became the largest institution of the sort in London, with an accommodation of 1,160 beds. It provided a buffet, dormitories, baths, dry and wet canteens, billiard room, hairdressing and watch repairing departments, writing room, post office, bank, cinema, enquiry office, kit store, and boot-cleaning parlour. Between August, 1916, and August, 1919, it served 3,752,810 meals for soldiers, and provided 718,900 beds. The deposits in its bank amounted to £679,755. Though open to members of all forces, it was almost exclusively used by Australians. Another—and perhaps the most popular—centre for Australian soldiers oversea was the Anzac Buffet, maintained by funds raised by Australian residents in Great Britain, who also provided the service there.³⁹ Other soldiers' clubs were maintained in Australia also by patriotic effort. One of these occupied the Royal Hotel

³⁸ Both clubs were inaugurated largely through the effort of Colonel R. M. McC. Anderson. The superintendent of the club in London was Major A. C. Barry.

³⁹ The originator of this buffet was an Australian woman, Mrs. E. Cox-Roper (of Sydney), who, with the assistance of the High Commissioner and of Mr. Henry Kneebone and others, secured the premises which were first near the High Commissioner's old office at Victoria street, later at Horseferry-road, and finally again in Victoria-street. After a few weeks Mrs Cox-Roper had to retire through ill-health, and Mrs M. A. Rattigan (of Tocumwal, N.S.W.) succeeded her.



53. "ALLIES DAY" AT TANWORTH, NEW SOUTH WALES, 12TH APRIL, 1916

Lent by Mrs F A Chaffey.

To face p 722



54 CHILDREN OF THE WARRNAMBOOL STATE SCHOOL WITH THEIR GIFTS OF POULTRY FOR SICK AND WOUNDED SOLDIERS IN THE CAULFIELD MILITARY HOSPITAL, CHRISTMAS 1917

(See also Vol XII, plates 736-37)

Photo by Arthur Iordan, Warrnambool
Lent by Education Department, Victoria

building in Sydney.⁴⁰ When the troops were returning, another was provided in Sydney by the War Chest for the temporary accommodation of soldiers with their wives and families. The Anzac Buffets in Sydney, Melbourne, and elsewhere furnished meals for soldiers. At the "Cheer Up" hut in Adelaide, nearly 300,000 soldiers and sailors were entertained on their way to or from their fields of active service.

The Australian Comforts Fund was raised for war purposes, and its promoters did not desire to continue it after the war as the Red Cross was continued for service in time of peace. Consequently, at a final conference of the Fund's council, it was declared closed, and officially ceased on 16th April, 1920. The diligent historian of the Fund, Mr. Bowden⁴¹ appropriately chronicles:

Established on 4th August, 1916 (Gazetted on 24th August) it thus had three years eight months and twenty days existence. Its chief ideal—the effective free distribution for our "fit and well" soldiers and sailors and "air-men" wherever they were on active service, the more liberal the distribution the nearer these men were to the firing lines, was always kept well in view, and, it may be truthfully affirmed, was realised as far as human endeavour with its fallibility allowed.⁴²

V

The Red Cross and the Australian Comforts Fund were the principal organisations responsible for patriotic funds, but a very large number of other independent bodies exerted their efforts for the support and comfort of the troops or of the distressed Allies. Of these activities the most important were those of religious bodies, in particular the Young Men's Christian Association. Although its work overlapped at many points that of the two abovementioned, its function was rather the ministration and organisation of comfort

⁴⁰ The use of this as a soldiers' club was mainly due to the effort of Dr Mary Booth, who, recognising that certain troubles with the recruits at Liverpool (20 nuns from Sydney) were due to their having been provided with no comfortable resort in the metropolis, awakened the conscience of Sydney people and provided this convenience. She was assisted by the organisation which became known as the "Anzac Fellowship of Women," and which still exists.

⁴¹ S. H. Bowden, Esq. Journalist, of Northwood N.S.W., b. Sydney, 23 Sept., 1867.

⁴² Bowden, *History of the Australian Comforts Fund*, p. 201. The council of the A.C.F., before winding it up, reserved a sum sufficient to pay for printing and publishing the history which Mr. Bowden undertook to compile. The volume is the most elaborate and detailed account of any of the Australian patriotic funds. The council also reserved £500 for the possible requirements of the Graves' Commission on Gallipoli and in France.

and recreation, theirs rather the provision of the materials. Thus the Y.M.C.A. conducted writing rooms, clubs, and buffets in camps in Australia and at the front, and organised cinema entertainments, games, and competitions, as well as furnishing, like the Comforts Fund, small coffee stalls and canteens close to the trenches. In general in the rear areas food and drink at its buffets were charged for, but not in the front areas.

The Y.M.C.A., having undertaken similar work in Australian military camps before, had the advantage of knowing not only its task but the military authorities, and being known by them. Consequently its work almost automatically began wherever a camp was organised. When the first contingent sailed from Australia, five Y.M.C.A. "secretaries" went with it. Then, as throughout the war, they organised whatever amusement was possible in the troopships—libraries, pianos and sporting gear were regularly provided; and at the beginning of the period of training of the troops, a single Y.M.C.A. hut in the desert was the only amenity for decent recreation nearer than Cairo. Although the Australian branch of the Y.M.C.A. maintained its separate control and most of its work was afterwards directed from its special headquarters in London, its alliance with the world-wide organisation of the Association gave it great advantages. Through its own representation overseas it secured the outstanding credit of providing, in the last months of the Gallipoli campaign, the only canteen that was established at Anzac.⁴³ When the infantry moved to France, the Y.M.C.A. maintained five "secretaries" with each division. Their work may be judged from the fact that when, for example, the 2nd Division was in a back area it occupied no less than 40 villages in 29 of which the Y.M.C.A. maintained some sort of establishment. Besides its work on all the fronts, Mesopotamia included, the Australian Y.M.C.A. maintained a London centre at the Aldwych Theatre,

⁴³ This was in a sandbag shack on the small arena beneath the semicircle of cliffs at North Beach. Mr (later Hon. Major) W. Owens, the "secretary" who supervised it, wrote: "My callers came at all sorts of hours . . . mainly for writing paper and pencils, but these keen-faced Australians never failed, not daily but hourly, to ask with a touch of anxiety in their voices, 'I think you'll have any cakes to-day, cobber?' . . . By 10 o'clock three or four hundred men would be waiting at the hut for the trawler. The rule was no one could get more than 2s. worth at one time. In two hours the little stock was exhausted, and then followed a time of explanation to the disappointed lads who came too late."

where meals were served by a voluntary staff of over 400 ladies; a very large branch at the Australian base at Le Havre; important branches at all Australian dépôts and hospitals; others in Paris, Abbeville, Charleroi (after the Armistice), Gamaches, Taranto, Colombo, Cape Town, and Australian ports. At all the great towns, especially London, Paris, Colombo, and Cape Town, tours were organised for the interest of soldiers passing through or on furlough. The Australian Munition and War Workers in Great Britain were assisted by a special section.

For the maintenance of these services, requiring a staff overseas of 274 men,⁴⁴ paid or honorary, the Y.M.C.A. raised in Australia £831,302, the whole of which was spent in the service of the Australian forces. The service was not so popular with the men of the A.I.F. as that of the Comforts Fund, chiefly owing to the fact that everything provided by the latter was given free, whereas the prices charged at some Y.M.C.A. stalls were considered too high. Doubtless there did occur instances of over-charging, but the Y.M.C.A., which had to work with such orderlies as it could obtain from the A.I.F., cannot fairly be blamed for this, and the sum of good achieved by its efficient work is beyond calculation. During the period April, 1916, to September, 1918, it furnished free to troops in England and France, and prisoners-of-war, goods and entertainments valued at £192,005. Its extensive service could not have been maintained without charges, which, in England and France, were fixed by the military authorities themselves; and the conditions of transports, camps, billets, and troops in the line without those services would have been unthinkable; had they been withdrawn for a week the full value of this splendid and efficient effort would instantly have been recognised.

Work similar to that of the Y.M.C.A. was also carried on by the churches, with which, indeed, it worked in close co-operation. In France and England particularly the Australian soldier often used recreation huts provided by the Church Army. All the churches had their own guilds concerning themselves with war work either directly or through the great organisations described above. For such service,

⁴⁴ Of these, 194 were sent from Australia by the Y.M.C.A., 70 were engaged from the ranks of the A.I.F. overseas, and 10 from other sources. A large proportion were clergymen.

however, especially in the camps throughout Australia, for early comprehension of the Australian soldier's needs in Egypt, for unstinted efforts for his welfare when he was fit, and unflinching assistance when he was utterly "down and out," his special gratitude went out, as is widely known, to the Salvation Army. More than any other body, the "Army" was accustomed to work among men and women *in extremis*, and its knowledge of human nature, and unflinching exhibition of the root principles of Christianity among any who seemed to be almost beyond the help of others, won it a rich reward in the outspoken gratitude of the Australian soldier.

These were the principal instrumentalities in the provision of comforts and relief funds, but a very large number of others existed independently. Of some no obtainable record remains. An effort was made to chronicle the activities of as many as could be traced, but the record did not profess to be complete. An occasional paragraph in a country newspaper may allude to a local fund, and the enquirer cannot be sure whether it functioned through one of the larger organisations or was purely confined to a district.⁴⁵ The Women's National League raised £19,502, and spent the money in various useful ways, £8,000 going to buy milk for the soldiers in the trenches. The League of Soldiers' Friends, the Wool Spinning League, the Australasian League of Honour for Women and Girls, the Purple Cross Service—which devoted itself to the care of Australian horses at the front—and a host of individual workers who preferred the "lone hand" method of assisting, all gave valuable help.

A great amount of good work was likewise done by such friendly societies as the Australian Natives Association, the Independent Order of Oddfellows, the Manchester Unity, the Loyal Orange lodges, the Order of Druids, the Hibernian Catholic Guild, the Protestant Alliance Friendly Society, the Order of Foresters, and the Freemasons. The work of these societies was particularly directed to the service of their members, to whom special sick allowances were made, and who were "kept good on the books" while they were serving as soldiers. An immense amount of unpaid work was done

⁴⁵ *The Voluntary War Workers' Record*, edited by Mrs. C. Drake Brockman (Melbourne, 1918), contains descriptions of the work done by as many of the smaller societies as its editor could trace.

by doctors, dentists, lawyers, and others. Many professional men would not charge a soldier or his dependants, and some of them continued this practice for many years after the war. In Western Australia a peculiar society which called itself the "Ugly Men's Association" was formed in 1917 to assist returned soldiers and relieve local distress. "The Uglies," as they were happy to be named, raised a fund of £42,500, and spent most of it in taking returned soldiers in hand, training them for farming, and helping them to clear land. Some of "the Uglies" were skilled builders, and gave their labour to assist in erecting cottages for returned soldiers. Their name, by amusing, perhaps lured from givers a little more money than would otherwise have been forthcoming, so it served its turn; and there was always the complimentary comment that "handsome is as handsome does."

Mention has already been made in this or other volumes of a few instances of the kindness that met the Australian soldier in England, Egypt, Mesopotamia, and elsewhere. A high place in the affection of the "diggers" is held by a South African girl, Miss Ethel Campbell, who contrived to welcome every Australian troopship at Durban; by Mr. and Mrs. R. E. Bush, who not only gave their fine home, Bishop's Knoll, near Bristol, for a general hospital for Australians, but themselves maintained the hospital (most like a home) and assisted in the work, Mr. Bush acting as commandant; and by Miss Rout and Miss Ramsay, whose friendship and guidance were lavished on thousands of Australians in Paris. But these were only representative of the flood of kindness, especially from all parts of the Mother Country, which in so many cases furnished the soldiers' happiest recollection of those terrible years.⁴⁰

VI

The money for the patriotic funds was raised largely by the setting apart of special "days" for street collections. This practice began in the early part of the war, when public

⁴⁰ Mr. Bush had spent thirty years in the back country of north-west Australia. Miss Campbell, a daughter of Dr S. G. Campbell, was a leader in comfort work, and used to semaphore to the troops on arriving and departing transports. Two New Zealanders, Misses Mutch and Rodgers, and a Scotswoman, Miss Jessie Millar-Wilson, all associated with the Y.M.C.A. hotels in Paris, were stated by the Australian commandant there to have done "extraordinarily fine work amongst our fellows."

sympathy poured forth towards the Allied peoples whose countries had been ravaged by war. Mr. T. W. Heney, who, as editor of a great Sydney newspaper, was closely concerned with these efforts in his State wrote: "The lively sympathy universally felt in Australia for Belgian and French civilians under the German heel was a national reaction of horror and disgust at a ruthless policy of frightfulness. It took the practical shape of a voluntary national subscription of money to be expended in relief—in the first instance, of the Belgians. A 'Belgian Day' was set apart for street and other collections towards that object. In New South Wales alone £100,000 was raised on the 15th of May, 1915, and similar generosity was displayed throughout the Commonwealth.

"Thus began a series of voluntary efforts, which lasted practically throughout the war, to render help to the various Allied nations. As one 'day' succeeded another, the machinery was perfected and the contributions were enlarged. Apart from their more serious purpose, such 'days' served as some relief from the deepening tension. To the young and the careless they assumed the aspect of popular holidays, when vast crowds filled the city centres, bought and wore buttons, joined in raffles and other games, and contributed to the rattling boxes shaken by pretty girls in national costumes.

"But under all these devices, under 'turns' performed in the streets by the leaders of the dramatic and musical professions, and mock auctions of flags, war trophies, and commonplace trifles, there lay a finer spirit. They even contributed to the education of the Australian people in the meaning of the war by widening its knowledge of the extent of the devastation of Europe. If for one day now and then they lent to the cities an air of carnival and filled the streets with music and colour, they also taught pity for others less happily circumstanced, invigorated resolve, and imparted to fluid feeling a necessary definiteness of object and a method of making sympathy effective.

"The period succeeding the Landing was for the most part a gloomy one. But as events at Gallipoli quickened the process of enlistment, so they lent spirit to a general and splendid process of giving. The Red Cross was in need of larger funds than those provided by the original scheme of subscriptions

and donations. It was therefore determined, in view of the success of 'Belgian Day,' to make a similar appeal throughout Australia on behalf of the Australian Division of the Red Cross. A day was set apart for raising a fund which should help it to sustain the greater efforts ahead. An 'Australia Day' was fixed for the 30th of July, 1915.⁴⁷

"The movement proved a signal success. The urgent needs of the men in the field, on hospital ships, at various hospitals in Malta and Egypt, and on their way back to Australia made a powerful and effective appeal, and the pride excited in the community by the gallantry of the Landings could refuse nothing for the comfort and welfare of its representatives. All classes, creeds, and sections combined in preparing for the great day, in making all manner of things to sell, and in devising attractions to bring out the people in multitudes and allure them into spending lavishly. Wherever there was a branch of the Red Cross, the War Chest, or other organisation which made a speciality of war work, there the support of the project was undertaken with a single resolve—to make it the greatest success Australia had ever achieved in the domain of charitable generosity. Funds were opened by the mayors, and a flow of large or small donations already made up a fair amount before the arrival of the actual day set apart for the collection.

"It is unlikely that 'Australia Day' will ever be wholly forgotten by any who were privileged to take part in that magnificent outburst of giving. In the cities the day was a holiday. Early in the morning the people began to gather in. For this brief interval they were prepared to forget their anxieties and to disport themselves as in the days before there was a war. A device previously introduced in Melbourne was widely adopted—the sale of a button or metal badge sometimes of uniform size and design, sometimes varying according to the amount paid. This proved an excellent device. In the most-frequented spots in city and suburbs the stall-holders, with the aid of many friendly assistants, had erected dainty booths, and in and around these worked thousands of bright-eyed girls—nurses, teachers, and others—selling the various wares and

⁴⁷ The suggestion is said to have been that of Mrs E W Kirke (of Manly, N.S.W.), three of whose sons served in the A.I.F.

the buttons of the Day. In Sydney the Government co-operated with the promoters of 'Australia Day' by transforming Martin Place into a fairyland. Venetian masts were covered with national flags; the adjacent buildings were decorated; dozens of little cabins and booths, specially constructed, served to display all kinds of goods, from embroideries and laces to potatoes and pickles. Wheeled traffic was hardly practicable in the crowded streets. Bevvies of girls, in various fancy or national costumes, brought their battery of charms to bear upon the men. Bands of musicians perambulated the streets and gave open-air concerts. In theatreland and other suitable spots, the men and women of the stage (largely organised by Mr. Hugh Ward⁴⁸) lent their best efforts to swell the takings. As the hours went on, the crowds, the excitement, the liberality of all sorts and conditions of persons increased, and, when the exquisite winter day closed in, it was evident that the people, having 'made a day of it,' were intent on making a night of it too. It seemed as if the whole community had abandoned itself to giving and spending all it had for the sake of the men on service.

"Everywhere in Australia the day was observed, and everywhere the same state of mind prevailed. The crowds may have been larger, the attractions finer, the proceeds greater in the cities than elsewhere, but the hearty spirit of the Australian people was everywhere the same. Perhaps, allowing for the difference in circumstances, the efforts, the sacrifices, and the offering of hundreds of small country places were even more admirable and touching than those of the cities. With them there were no spectacular aids, no holiday crowds, no decorated buildings and streets, only a resolution to do and give. The countryside best represents the true heart of Australia. In those brave little settlements, so bare and repelling to the city-dweller, dwells most that is soundest in the community and most characteristically Australian. Some rough verses⁴⁹ written and circulated at the time really

⁴⁸ Managing director of the theatrical firm of J. C. Williamson Ltd. Born of Anglo-Irish parents at Philadelphia (U.S.A.) in 1871, he came to Australia as a young man and was conspicuous in his work for charities and, during the war, for patriotic funds.

⁴⁹ By the late Sydney Walker, of Neckarboo Station, Cobar, N.S.W., from a collection privately printed by his friend G. G. Carr, of Mooloomoon Station, Moulamein, Deniliquin, N.S.W.

enshrine the spirit of that day. They are entitled 'Australia Day, 1915.'

'The sun breaks bright in Warren, the flags stream on the air,
It shines on Warren's sturdy sons and on her daughters fair.
The stall-holders are busy, the cash comes pouring in.
The auctioneers have got to work, and all is noise and din.
The country folk come riding in, on buggy, bike, and dray,
All with a quid or two to spend—to help Australia Day.

'A farmer said, "The season's good, my crops are on the job;
I'll give three acres for the cause—I will, so help me Bob".
A squatter said, "I'll give three bales from my best weaners grown—
The sire's from far-famed Haddon Rig, the ewe's from Mumble-bone".

The children hand their pennies in, all dressed in colours gay,
The townsmen "ante up" their cheques—to help Australia Day.

'Bill Drover chances to ride in—horseman from top to toe,
He's mounted on a clever colt he bought at Dubbo Show.
He listens to the talk all round, and slowly shakes his head.
"I haven't got a bean to give, I'll give meself instead;
It's up to me to help our chaps to bring the foe to bay.
Here, sell me bloomie mount as well—to help Australia Day."

"In New South Wales the result of Australia Day was to gather in £839,550. In Victoria the collection secured £311,848.⁶⁰ In the other States the people were correspondingly liberal. Inevitably occasional cases of imposition and fraud occurred.⁶¹ But, despite frauds and mistakes, the people persisted in liberal giving until the end of the struggle." Red Cross Day 1918 in New South Wales resulted in the collection of £430,393.⁶²

Nothing should obscure the fact that the great work of almost all these bodies during the war was, at its base, the women's work. From the moment when the Lady Mayoress

⁶⁰ On the authority of the late Sir James Fairfax, then chairman of the N.S.W. branch of the Red Cross Society, and of Mr. F. B. Harkness, it is stated that the sum actually subscribed was £805,985, the balance being interest allowed by the banks. Only £689 went in expenses. The Victorian total includes £43,797 contributed for specified purposes, and £3,974 in interest. The expenses were £248.

⁶¹ This was noted by the Auditor-General for N. S. Wales. The Federal Government afterwards promulgated war regulations to prevent the promiscuous collection of public money for all sorts of war services, and required that the consent of the State War Council should be first obtained.

⁶² This time the expenses were somewhat heavier, £10,616 in all. Of the £1,270,000 raised by means of these two "days", some £323,000 was expended through an "Amelioration Committee", which during the war voluntarily exercised some of the functions of the later Repatriation authorities. The Auditor-General for N. S. Wales said in 1918 that this fund had "given cheer and comfort to 73 per cent. of the men of the Army and Navy, who have served and suffered, and have been invalided home, or are enjoying a well-earned furlough. It has distributed over £200,000 to 18,000 separate cases". The balance eventually remaining was handed to the Repatriation Department.

of Melbourne launched the appeal for comforts, and Lady Helen that for the Red Cross, here at once was seen, clear to all, work that women could do as their chief war-service. More than one overstrained helper literally worked herself to death in these splendid efforts. One of the founders, Mrs. Langer Owen, probably paid for her efforts with her life. Prominent in these endeavours were those nurses in the city and country hospitals, who were unable to enter the military service, but whose work for the recruits and returned soldiers was constant. Of the women's effort, Mr. Heney says: "The days were never too long for committee meetings, for visits to war widows and orphans and the wives of men on service, for the preparation for war days and special collections, for a multitude of little unremembered acts of kindness and of love. Wherever in town or country two or three women could be gathered together, they settled down to war work. They knitted and sewed and cut out garments of all kinds, they made jams and preserves to be sent for sale, they gathered fruit and vegetables for the hospitals and homes or for soldiers' widows. they made dainty wares for stalls at 'Days,' they collected pence and small silver for regular subscriptions, they kept those haphazard accounts of women which are so puzzling to the trained accountant, though their own memories never lose track of sixpence. They devised picnics and dances and outings for the sick soldiers in their midst, and for the young people who must be kept from missing altogether the things which pertain to happy youth. They cooked and laundered in hospitals and convalescent homes. They taught and trained the V.A.D's. They organised many a pretty demonstration which helped to keep up the spirit of the movement and to refresh the hearts of a war-weary community.

"Those who had the leisure and the opportunities threw themselves into the full tide of the work of the Red Cross and Australian Comforts, but there were large numbers of women not so circumstanced. Nevertheless, their contribution to war work was as valuable as it was varied. Little groups of voluntary workers not only sewed and knitted as indefatigably as if they had not also to make their own clothes; they contributed regular sums out of their slender means; they sent to the men at the front bundles of food and clothing.

tobacco and stationery, brushes, sweets, and all kinds of comforts; they wrote hundreds of letters for soldiers' wives and mothers; they wrote thousands of their own to lonely soldiers and to their own relations; they kept touch with all who belonged to the soldiers and formed a helpful chain of kindness between the men at the front and the women and children at home. Beginning with the exertions of the ladies of the naval group, there developed a movement which brought much consolation to many lone women of the soldiers' families. In some suburbs from which the soldiers had gone in great numbers there were formed circles of soldiers' wives, and these little groups, aided and directed by many war-workers from the city, proved centres of cheerfulness as well as of useful co-operation. Other bodies of women arranged visits to the camps with concert parties and catered for the entertainment of the trainees or of the invalids. Yet another movement had for its object the encouragement of those men's groups which undertook to clear land for light work by disabled men, and to erect cottages for them to live in. Every Saturday afternoon, Sunday, and holiday would see many such parties busy in the neighbourhood of the Australian cities. Besides providing tea and food for the manual workers, the women would take such part as they could in the actual labour. Other bands helped in the convalescent homes and in the industries subsequently established for disabled soldiers, or devoted themselves to nursing and V.A.D. work, or undertook the support and the service of clubs and refreshment rooms where returned men were welcomed and entertained, or prepared Christmas and other festivities for the orphans of soldiers and the children whose fathers were still in the line."⁵³

VII

A particularly interesting feature of the civilians' voluntary effort was the general participation in it of the state school children, all anxious to "do their bit." Their contributions, mainly from their own pocket-money or earnings, reached over £800,000, striking evidence of the ferment of patriotism moving

⁵³ It is obviously impossible to record the names even of the leaders in most of these good works. But no Australian will grudge mention of the fact that Madame Melba, the world famous opera-singer, raised between £9,000 and £10,000 by her concerts.

in the minds of the future citizens of Australia. In Victoria alone, thanks largely to the influence of the Director of Education, Mr. Frank Tate,⁵⁴ the children in the public elementary schools raised £410,000, and this amount included no large donations. Interest allowed by the banks, and contributions from the Victorian high schools increased the total to £438,000. Within a week of the declaration of war, 200 women teachers in Victoria had formed a "Patriotic League," while the Education Department officially inaugurated a "War Relief Organization." Teachers were encouraged to make their pupils understand what the war meant to Australia and to the British Empire, what—as then understood—were its causes, and what was the duty of all citizens in their country's extremity. This teaching was faithfully inculcated. The children were provided with collecting cards on which to record their own contributions and the sums they could obtain from their own homes; but they were instructed that on no account were they to solicit for subscriptions from the general public. The child's field of action was to be the home, and the sources were to be his parents and relatives, and his own self-denial. The purpose was to "help our soldiers," and no appeal could have gone more directly to the hearts of Australian children.

Children were also encouraged to help the fund by doing work. Authentic examples show the splendid spirit of youth. Four boys undertook a contract for street lighting in a small village during the winter months. They bought the lamp glasses and kerosene, and at the end of the season paid their profits, £8, to their school patriotic fund. Two brothers, aged respectively eleven and nine years, borrowed an acre of land from a farmer. Their father stretched the fencing wire for them, and they fenced, ploughed, and sowed the soil. From the crop they earned £12, which they paid into the local patriotic fund. A boy earned 30s. by making and selling fly-nets for teamsters' horses. Instances were recorded of school children making brooms, selling rabbit skins, and collecting firewood; others sold eggs, "gathered bones, fat, bottles, wood, iron, kerosene tins; they caught and skinned

⁵⁴ F. Tate, Esq., C.M.G., I.S.O. Director of Education, Victoria, 1902/28; subsequently President, Aust Council for Educational Research. Of Kew, Vic., b. Castlemaine, Vic., 18 June, 1863. Died 28 June, 1939.

rabbits, trapped foxes, caught fish and frogs and leeches, dug gardens, cleared tracks, cleaned chimneys, swept schools, caught horses, did odd jobs before their home duties commenced in the morning; they gave up holidays, and handed in all their pocket money; and they worked by moonlight when school-work and home-work filled all the daylight hours." In the city "the girls could sew and knit, the boys attending woodwork centres could make splints and crutches and chairs. Some could organise fêtes and bazaars and concerts; and of course everyone could bring his or her parents and friends. . . . There were the military hospitals to visit, and entertainments to arrange for the patients." The League of Young Gardeners was created to swell the war relief fund, by cultivating garden plots at home. From this movement there sprang the three "flower days," which resulted in raising the sum of £126,354. Next in order came the Young Workers' Patriotic Guild, every member of which had to earn £1 by his own effort.

The effort of the schools was most completely organised in Victoria, but it extended to all the States. Except in Victoria and Western Australia, however, the money raised by school children was not earmarked as school funds, but was paid into the general patriotic funds. Such was the case in Western Australia until May, 1916, when the teachers inaugurated the State Schools Patriotic Fund, which is said to have accumulated about £100,000 in money and kind before the end of 1919. When it became known that sandbags were wanted for Gallipoli, the Perth school boys made 10,000. In South Australia 50,000 fly-nets were made by the school children for the horses of the cavalry in the Palestine campaign; and upwards of £85,000 was raised in cash by the children of that State. In New South Wales appeals were made to the schools on three occasions, once for the Australia Day fund and twice for the Belgian Orphans' Fund, and on these occasions a total of £83,416 was raised.

No record remains of the sums contributed by the boys and girls of the schools other than state schools, but it is certain that these were fully as liberal, as eager for sacrifice, and as enthusiastically patriotic, as were the children of the state schools.

In New South Wales, where the original initiative came largely from outside the Education Department, much of the children's activity was concentrated in a new local movement known as the Junior Red Cross. It is in consonance with the liberty allowed to Australian children that this movement, which eventually became international, should have been inaugurated among them in the first months of the war. In August and September, 1914, on the initiative of Mrs. Eleanor Mackinnon,⁵⁵ "Junior Red Cross Circles" were formed at Glencoe in the country, and at Parramatta and Sydney High Schools. These multiplied so greatly that the Education Department of New South Wales eventually sanctioned their incorporation as a section of the society itself. The Governor's wife, Lady Davidson,⁵⁶ lent her whole-hearted support, and the Junior Red Cross Society rapidly extended, doing work very similar to that carried on in Victoria by the "Busy Bees" organisation in the state schools. The New South Wales organisation (writes Mrs. Mackinnon) received "a million eggs at one six-weeks' call (and sent them home⁵⁷ pulped)," besides "thousands and thousands of garments, bandages, collections of produce, and really vast sums of money." In the deadly epidemic of pneumonic influenza "our children were heroes and heroines, attached to emergency hospitals as messengers." As part of the Red Cross, this organisation survives the war and has been extended to all the States. The children work continuously for those whom the war has incapacitated, and for "the delicate and needy children of soldiers" for whom several nursing homes are maintained solely by them.

The Boy Scouts, according to a Queensland report, mobilised five days after the outbreak of war and 100 of them went into camp at once ready for any duty that was required of them. Later the Queensland scouts "rendered continuous services at Red Cross rooms, kitchens, military hospitals, Y.M.C.A. and church huts. They also . . . made

⁵⁵ Mrs. E. Mackinnon, O.B.E. Member of Executive of Red Cross Society, N. S. Wales, and of Council of Aust. Red Cross Society, 1914/36; Director of Junior Red Cross Society, N.S.W., 1918/35. B. Tenterfield, N.S.W., 8 Feb., 1871. Died 31 Jan., 1936.

⁵⁶ Dame Margaret Davidson, D.B.E. President, Women War Workers' organizations in Newfoundland, 1914/18; President, Red Cross Society, N. S. Wales, 1918/23. Of Talaton, Devon, Eng.; b. London, 21 April, 1871.

⁵⁷ That is, to Great Britain.

splints, crutches, walking sticks, and sandbags. One troop alone rolled and packed over 50,000 roller bandages. In connection with . . . returned soldiers, the Scouts have busied themselves clearing ground, teaching handicrafts, and in various other ways." In South Australia the boy scouts helped to make sandbags, to pack Red Cross goods, to serve at the "Cheer Up" hut, and to act as orderlies and messengers; and similar activities are recorded in the other states. Despite many legal safeguards, a number of boys of from 15 years upwards contrived by dint of patriotic misstatement to squeeze into the A.I.F.; and the children who were too young to fight or give other personal services did the most they were permitted and able to do to help the national cause. The spirit was willing.

VIII

An attempt was made by the Commonwealth Bureau of Census and Statistics, under date the 2nd of November, 1921, to estimate the amounts raised for patriotic purposes in each State during the war. These figures, given below, do not include a valuation of the very considerable gifts in kind or such valuable aid as the free transmission of Red Cross cables, or the voluntary services rendered by thousands of people. Nor do they include many funds raised by small local societies and innumerable gifts by individuals. They are valuable as far as they go, but they were compiled confessedly as showing no more than "moneys actually contributed for which statistical record is available." Thus the following figures are given:

Patriotic Funds Raised by Public Subscription.

New South Wales, to 30 June, 1919	..	£4,877,045
Victoria, to 31 December, 1918	..	3,294,273
Queensland (estimate), to 30 June, 1919	..	1,000,000
South Australia, to 30 June, 1919	..	1,636,050
Western Australia, to 31 December, 1918	..	1,064,504
Tasmania (estimate), to 30 June, 1919	..	250,000
		<hr/>
		£12,121,872
		<hr/>

How difficult is the ascertainment of the correct figures is illustrated by the fact that a very thorough investigation since made by the Auditor-General for Queensland has shown the true figure for that State to be £2,302,973, and it is certain that the other figures are incomplete. The total is thus raised, certainly to over £14,000,000.⁵⁸

That the Australian soldier gratefully appreciated the efforts made for his happiness where so little was happy, and his comfort where life was generally uncomfortable, there are thousands of pieces of evidence to show. The Red Cross, the Comforts Fund, and all the other agencies received by every mail budgets of appreciative letters, sometimes containing suggestions for improvements, and new ideas, which were always carefully and sympathetically considered at the Australian end. By way of final benediction on all this noble, devoted service, a passage from a speech made by General Sir William Birdwood in Sydney, when visiting Australia in 1920, may fitly be quoted. "War workers throughout Australia," said the general, "were naturally interested in the results of their labours, and asked themselves—was it worth while? I am sure you have had your answer already from the soldiers themselves, but I can give you my assurance that your work has been amply justified by its practical results. It has been said that the Australian soldier was looked after better than any other man in the field. All I can say is, he was worth it. Your reward must be to a large extent that knowledge. Nothing that you could do was too much for him, no sacrifices that you made were equal to the sacrifices he was making and the risks he was taking. It is through him that your beautiful country lived in peace and escaped the horrors of war, and, now that he has returned, as you helped him in the fighting zones so I trust you will help him in the future."

⁵⁸ For details see *Appendix No. 12, pp 882-7*

BOOK IV—THE COMING OF PEACE.

CHAPTER XXII

THE PEACE CONFERENCE

ON Tuesday, 12th November, 1918, the news that Germany had applied to the Allied powers for an armistice, which had been granted, was officially communicated to Australia. Four days previously a premature announcement to the same effect was made in the United States and cabled all over the world. Coming events were casting their shadows before. Signs of the German collapse were apparent. On October 20th the State Secretary of Foreign Affairs, Dr. Solf, had informed the President of the United States that an "offer of peace and an armistice" had been made to the Allies by the Government of which he was a member, and that it was "supported by the approval of an overwhelming majority of the German people." Two days later Field-Marshal von Hindenburg issued to the army a general order stating that he approved of the peace move. On November 5th the President of the United States informed the German Government that Marshal Foch had been "authorised by the Government of the United States and the allied Governments to receive properly accredited representatives of the German Government, and communicate to them the terms of an armistice." The German Government accordingly despatched peace plenipotentiaries to learn the conditions from Marshal Foch. On November 9th the German Imperial Chancellor, Prince Max of Baden, published the official announcement that the Kaiser, Wilhelm II, had "decided to renounce the throne," and a few days later the most boastful of the Hohenzollerns was a fugitive refugee craving permission to cross the frontier into Holland. Within a week the Kings of Bavaria, Württemberg, and Saxony, and a galaxy of grand dukes and princes, had shed the panoply of royalty. News of these dramatic happenings, flashed to the uttermost corners of the earth, indicated clearly enough that the end of the war was at hand. The premature announcement of November 8th did but liberate the feelings of intense relief and joy which the agonies and anxieties of four years had made strangers to the hearts of men

In Australia the dawn of peace broke over the threshold of summer. In the mangled fields of Flanders the dread of yet another winter, with its storms and its quagmires, was lifted like a chill cloud from the armies; and the Australian troops, who had gained immortal fame by their part in launching the offensive which finally broke the German line, began to think longingly of the November blue of their native skies, the wash of the foam on the long beaches, the leaping trout in the mountain pools, the sheen of scarlet and green of the parrots in the forest trees, the ripening fruits in the orchards, and the midnight blaze of the stars above the great plains. In Australia the warm, bright weather of the last days of spring gave cheerful atmosphere to the gladness which burst forth from the bells in the steeples and the songs of the crowds in the streets of the cities. All business seemed to stop; one great sigh of relief went up; flags fluttered from every flagstaff; bonfires flamed on the hills; bands of music, processions, fireworks, any kind of rhythm or any point of light that could punctuate the unrestrained burst of delight, was welcome. In the cathedrals stately services and anthems set to solemn music expressed the fervour of thankfulness, and there was not a religious building from end to end of the continent that did not add to the volume of gratitude and praise.

II

Mr. Hughes was in England when the end of the war came. Mr. Lloyd George had in the meantime supplanted Mr. Asquith as Prime Minister of Great Britain, and had summoned an Imperial Conference, to attend which Mr. Hughes left Australia in April, 1918, taking the route *viâ* the Pacific, through the United States, and across the Atlantic. The Minister for the Navy, Mr. Joseph Cook, also went to England at this time to share with the Prime Minister the work to be done at the conference. Both ministers remained till the peace negotiations were completed, and both signed the treaty of Versailles.

The ministers on reaching England during the later stages of the German offensive of 1918 found the British Government deeply troubled with two anxieties of which little

evidence had leaked through to the dominion governments oversea. The first concerned the efficiency of British military leadership, especially in France and Flanders; the second the sufficiency of British man-power to last till the end of the war. As to the first of these, Mr. Lloyd George immediately took Mr. Hughes into his confidence.¹ The Passchendaele offensive, he said, had been a tragic and bloody disaster which he and the War Cabinet had been powerless to prevent, in spite of their efforts to do so, in face of the determination of their military advisers. The British Army, he said, unlike those of the dominions, was not a field for the promotion of the best talent the nation contained; almost all commands in it, above the rank of brigadier-general, were preserved for members of the old regular army, most of whom—especially the cavalry branch, from which most of the army commanders had been chosen—belonged to a limited and powerful class. "I do not belong to that class," said the British Prime Minister. If he had stepped in and stopped their offensive, they would have carried the country with the cry that he had held them up on the brink of a great military success. If the protest against their conduct of the war had come from the dominions, however, it would have carried results which it could not have achieved if he had made it, and he deplored the fact that the dominion ministers had not been there in the autumn, when their action might have brought about a change in the command.

Both Mr. Hughes and Sir Robert Borden, the Prime Minister of Canada, although strongly impressed by these representations, were loth to become catspaws for the removal of Sir Douglas Haig, the British Commander-in-Chief in France, without direct evidence that their own national forces were detrimentally affected by defective leadership on his part. They and other oversea ministers were, however, deeply concerned with the probability that their troops might have to continue fighting—for possibly two more years, as was then expected—under what was alleged to be a dull and blundering command. Mr. Lloyd George welcomed the view of the

¹ As regards occurrences prior to the Peace Conference, the narrative from this point is based largely on the private diary and notes of the Australian Official War Correspondent Mr. Lloyd George's view of British leadership at Passchendaele is contained in *Vol. IV* of his *War Memoirs*, chapter *lxiii*.

dominion ministers that they must share in the consultations before operations involving immense casualties were initiated. As a sequel to the critical situation that followed Ludendorff's offensive of 21st March, 1918, when the British Army came near to being separated from the French, the Imperial War Cabinet referred to a committee of prime ministers the question of investigating the causes which led up to that disaster, with a view to determining the proper relationships between those in control of the fighting forces and the several governments of the Empire. Sir Robert Borden laid before this committee a strongly-adverse report from Lieutenant-General Currie,² commanding the Canadian forces in France, himself formerly a civilian, upon some aspects of the conduct of the campaign there. The committee, which was largely advised by Sir Henry Wilson,³ then chief of the Imperial General Staff, was informed that victory could probably not be assured until the Americans had in the field a total force of a hundred divisions, which would not be before 1920. It ascertained that Great Britain in 1918 found great difficulty in providing even half the reinforcement that had been available in 1917, and that any continuance of casualties equal to those of Passchendaele would leave the British armies depleted and exhausted. The committee arrived at a number of decisions as to principles intended to govern the future conduct of the war so far as the British and dominion forces were concerned. One was that in the army "every post should be held by the best man available, irrespective of whether he is a professional or civilian soldier."⁴ Another was that it was the right and duty of the Government to assure itself that operations which might involve heavy casualties were not undertaken unless there was a fair chance that they would produce commensurate effects on the final issue of the war.⁵ It followed that the general lines of major operations likely

² General Sir Arthur Currie, G.C.M.G., K.C.B. Commanded 2nd Can. Inf. Bde., 1914/15; 1st Can. Div., 1915/17; Can. Corps, 1917/19; Inspector-General, Canadian Militia, 1919/20; Principal of McGill University, Montreal, 1920/33. B. Napperton, Ontario, 5 Dec., 1875. Died 29 Nov.

³ Field-Marshal Sir Henry Wilson, Bt., G.C.B., D.S.O., p.s.c. Asst. C.G.S. B.E.F., 1914. Commanded IV Army Corps, 1915/16, Liaison Officer with French Army, 1917; British Military Representative, Supreme War Council, Versailles, 1917/18; Chief of Imperial General Staff, 1918/22. Of Currygrane, Edgeworthstown, Ireland; b. 5 May, 1864. Assassinated, 22 June, 1922.

⁴ Hughes, *The Splendid Adventure*, p. 66.

⁵ *Ibid.*, p. 67.

to involve a heavy casualty-list should be submitted to the Government for its approval.

These decisions had little effect upon the conduct of the war, inasmuch as the final offensive which led to its early and favourable termination began shortly after they were made. But, had the struggle lasted until 1919 or 1920, as every military adviser of the Allied Governments—Haig, Wilson, and Foch—even then believed it would, and had dissatisfaction with the command become again as acute as it was at the end of 1917, there is no doubt that the support of the dominions would have assisted the War Cabinet in imposing its will on the commanders or in selecting others to replace them.

The second anxiety which beset the Imperial War Cabinet concerned the question of man-power. It was apparent that Great Britain had reached the stage at which the possible exhaustion of her reserves was in sight, and her Prime Minister foresaw the danger that the end of the war would find her forces so depleted that she would count for little in the settlement of the terms of peace. Ever since the Battles of Passchendaele, the British War Cabinet had been following the policy, adopted six months before by the Government of France, of deliberately conserving the national strength for the final decisive stroke to be delivered in conjunction with the Americans. Actually, the number of fit recruits originally allotted by the British War Cabinet for the whole of the British Army during 1918 was only 100,000 fit men—little more than were being asked from Australia for the maintenance of the A.I.F. during the same year.

The Prime Ministers of the dominions—especially the Australian—could not be oblivious of the danger of exhaustion of their own forces.⁶ While the committee of the Imperial War Cabinet was conducting the inquiry just described, it so happened that the most prominent rôle on the Western Front was being filled by the Australian Corps. It had not been involved in the heavy fighting and immense losses in the German offensive, but it had played a most active part in the

⁶ The quota of reinforcements expected from Australia was 5,500 per month, to secure which it was estimated that (allowing for sickness, subsequent rejections, etc.) 7,000 would have to be enlisted—that is 84,000 for the year. The actual numbers forthcoming from Australia at that time were, however, less than half this quantity.

final stopping of that offensive and in the months that followed. It was recognised as being, along with some others, a "shock" force, and there was no doubt that the British command would employ it in heavy tasks as soon as fighting on a great scale recommenced. With less than half the required reinforcement coming from Australia, and fighting of the heaviest nature probably ahead, Mr. Hughes put to himself the same question as was troubling his colleagues of Great Britain and France. If the war lasted for two years, and Australia took no special steps to conserve the Australian army, how much of it would be left at the end of the struggle? With only a memory of long-past actions to support her claims, what figure would Australia cut in the peace negotiations?

Throughout most of the war the Australian military forces overseas were administered by General Birdwood as G.O.C., A.I.F., through an Australian administrative headquarters at first in Egypt and later in London. This was staffed by Brigadier-General Griffiths and other Australian military administrators, through whom Birdwood retained close touch with the Defence Department in Australia. The system worked with a minimum of political interference and most efficiently, except perhaps as regards the troops in Palestine, whose needs were not adequately represented in London. The Canadian Government, on the other hand, had throughout maintained in London a branch of its Ministry of Militia, with its High Commissioner, Sir George Perley,⁸ at first in charge as Minister for Militia Overseas. In November, 1917, Canada's control of her oversea forces had been strengthened by transferring the Minister of Militia, Sir Edward Kemp,⁹ from Ottawa to London to relieve Sir George Perley of this part of his task; and in April, 1918, Kemp's hands had been much strengthened by the establishment in

⁷ As late as September, 1918, Mr. Hughes, lunching with Mr. Winston Churchill and Lord Northcliffe at the Marlborough Club, found both of them convinced that the war would last until 1919. The first leader from whom he had any other opinion was Foch, who, when asked by M. Clemenceau in Mr. Hughes's presence *early in October*, said that victory might be achieved in six weeks—at all events, before the end of the year. But until lately Foch had held a different opinion.

⁸ Rt. Hon. Sir George Perley, G.C.M.G. Minister of Overseas Military Forces of Canada, 1916/17; High Commissioner for Canada, in London, 1917/22. Lumber manufacturer; of Ottawa; b. Lebanon, New Hampshire, U.S.A., 12 Sept., 1857. Died 4 Jan., 1938.

⁹ Hon. Sir Edward Kemp, K.C.M.G. Minister of Militia and Defence, 1916/17; Minister of Overseas Military Forces of Canada, 1917/20. *Industrialist*; of Toronto; b. Clarenceville, Quebec, 11 Aug., 1858. Died 12 Aug., 1929.

England of a Canadian Military Council, consisting, as did the British Army Council, of the heads of the military departments with the minister presiding. On August 24th Sir Robert Borden stated in Canada that the Canadian army in France would now be independent, except so far as concerned the command by Sir Douglas Haig and Marshal Foch. This method of control was entirely different from that adopted by Australia. But in the circumstances of 1918 Mr. Hughes used his influence, both directly and indirectly, to determine to some extent the treatment—including even the employment in the field—of the Australian troops.

It will be remembered that in 1916 his request to Sir Douglas Haig, that the Australian divisions should be combined in a single army, had been refused on the reasonable ground that it involved practical difficulties in organisation which would prejudice the cause for which all were fighting. The request had been raised again in the middle of 1917, but it was not until the end of that year that a sudden change of circumstances enabled Haig to accede to it to the extent of combining all the Australian infantry in a single corps.¹⁰ Now that Mr. Hughes was in close touch with the troops and with the events at the front, and was impressed with the need of conserving the Australian force, he pressed with all his energy for three further concessions which were longed for, almost beyond hope, by the troops: first, leave for the original "Anzacs" to return on two months' furlough to Australia; second, a rest for the corps, to commence in October; and, third, an arrangement by which the Australian infantry should winter in the south of France or in Italy.

The first of these concessions was granted, and, though approval was easier to secure than ships, the latter were eventually found and 6,000 of the troops with longest service left France for Australia in September. For the second concession Mr. Hughes pressed directly on General Monash, the Australian commander in France; and, whether by chance or design, on the date which the Australian Prime Minister specified, October 3rd, the last of the Australian infantry was being taken out of the line, after two months of tremendous fighting, for a month's clear rest—a rest which, it is stated.

¹⁰ See *Vol. V, ch. i.*

was recognised throughout the British Army as being thoroughly well-deserved. In accordance with the principles enunciated by the committee of the Imperial War Cabinet, the Australian Prime Minister stipulated that he must be consulted before it was used again in major operations. At the end of the month it was marched again towards the front; it was understood that the Australian Prime Minister would have no objection to its employment in the fighting then contemplated with a view to forcing an early decision. When, however, it was just reaching the front, hostilities ended with the signing of the Armistice. The sudden end of the war rendered unnecessary the project of conserving the force by transferring it to winter quarters in the south. Such a request could only be justified on the doubtful basis that Australians were less fit than the British for withstanding a European winter, or, on the better one, that, if required as shock troops, they must be given ampler rest.

If, as was expected, the war had continued during another year, the dominion governments would undoubtedly have exerted an ever-increasing influence in the control of their own forces in the field. The Canadian Minister for Oversea Forces, Sir Edward Kemp, claimed that in 1918 he had declined to reduce the number of battalions in Canadian divisions at a time when the reduction was being enforced in the British Army, and that his representations induced Haig and Foch to avoid a contemplated distribution of the Canadian divisions in accordance with the needs of the moment.¹¹ How far such special control would have proved compatible with the maintenance throughout the British forces of the good feeling and unity of purpose that differentiated the association of British and dominion troops from a mere alliance is a problem which, perhaps fortunately, remained unsolved.

The Australian Prime Minister, on the invitation of Mr. Lloyd George, was present at more than one meeting of the Supreme War Council of the Allies, notably at that held on July 4th at which there arrived word of the Australian success in the small action at Hamel, news which, in that time of depression, had an effect out of all proportion to the extent of the forces involved.

¹¹ *War Government of the British Dominions* by Dr. A. Berriedale Keith (Carnegie Endowment series), p. 109.

III

Mr. Hughes regularly attended meetings of the Imperial War Cabinet, where his special business was, naturally, to keep a watchful eye on such questions as might be of interest to his own dominion. But it is a noteworthy fact that he and other representatives of the dominions exercised influence occasionally on questions with which they were not directly concerned. One dominion minister indeed, General Smuts, occupied an extraordinary position in the inner councils of the British Government, being leant upon not only as an adviser in its most intimate concerns, but as an intermediary in more than one delicate and difficult mission. But other oversea ministers also were consulted on British affairs.

For example on November 20th the Cabinet was occupied with a great press of business, among which arose the question of one John Maclean, a Labour candidate for Parliament who was at the moment imprisoned for an offence against the Defence of the Realm Act ("Dora"). "The workers on the Clyde," Mr. Hughes records, "had threatened to take very drastic steps if he were not released. . . . When the Dominion representatives had declared themselves favourable to his release, the Cabinet decided to notify the Home Secretary that the majority had so agreed."¹² The case is interesting as an illustration of that "elasticity" which has been extolled as one of the peculiar virtues of the British system of government.

But, though the system had proved sufficiently elastic to enable dominion statesmen at a Cabinet meeting to exert influence in a purely internal British case, it was not taken for granted that they would be direct participants in the Peace Conference. Yet the British Government had pledged itself to the dominions that they should be consulted as to the terms of peace. On the 21st of January, 1915, the Secretary of State for the Colonies informed the Australian Government that its Prime Minister would be consulted "most fully and, if possible, personally" when the time came, and on April 4th following he told the House of Commons that this pledge would be observed in "the spirit as well as the letter." Now, on the

¹² Hughes, *The Splendid Adventure*, p. 94.

29th of October, 1918, when the terms of the Armistice were still under discussion, the Prime Minister of Canada asked that his dominion should be represented in the peace negotiations. But the Germans, by seeking an armistice on the basis of an agreement to President Wilson's "fourteen points,"¹³ had in fact already initiated negotiations on the peace terms, since they were asking that these general principles of the peace treaty should be incorporated in the armistice conditions. On the very day of Sir Robert Borden's request the Supreme War Council, including the representatives of Japan, met to discuss agreement on this basis; and this conference continued until November 4th. Yet the Dominions were not consulted or even informed that the matter was under discussion.

Mr. Hughes had for some time felt bitterly that Wilson's points limiting reparations and annexations were proposed by a leader whose people had not borne the main suffering of the war, and that they were grossly unfair to those who had, and he seethed with a rebellious indignation. Why should this "schoolmaster" determine the demands of those who had borne the burden of the struggle? Yet, when this question had previously been raised, Mr. Lloyd George said that he could not see what could be done except to stand by Woodrow Wilson.

Fearing that the British Government might be stampeded into assent, Mr. Hughes had visited Paris and established an understanding on this point with members of the French Government and particularly with M. Clemenceau. Not Wilson, he urged, but France was the proper interpreter of the Allies' needs.¹⁴ Needless to say, Mr. Hughes found the French Government whole-heartedly of that opinion. In Hughes's presence Clemenceau asked Marshal Foch when he could promise a victorious end of the war. "Within six weeks," was the answer, "at all events before the end of the year."

In pursuing this course, Mr. Hughes was not merely endeavouring to prevent the conclusion of the Armistice on

¹³ See Vol. V, ch. iii.

¹⁴ President Poincaré, when decorating him on Oct. 12, said: "We must not have peace!" He meant that an armistice must not be arranged on lenient terms which, it was thought, President Wilson might favour; but Wilson left this matter to Foch.

terms which he considered unfair to the Allies, and to Australia among them; he was also fighting for a seat at the Peace Conference. The Australian ministers, by their influence inside the Imperial War Cabinet and the delegation for the Peace Conference, would be able materially to assist the French; and French support would probably enable the dominion delegates to secure their place in that delegation. Mr. Hughes was presented by President Poincaré with the Grand Cross of the Legion of Honour. He was received on October 14th by the French War Cabinet, and made them a vigorous speech of which the intention was partly to strengthen their attitude, partly to secure their support. He was thanked by them for the part that Australia had played and for his own determined leadership in the struggle.

Yet, as a result of the Conference of which the Dominions were not informed, the Allies told President Wilson that they would negotiate peace on the basis of his fourteen points, with two provisos: first, that they reserved liberty of action on the question of freedom of the seas; second, that the provision for restoration of invaded territory must be extended to cover "compensation by Germany for all damage done to the civil population of the Allies, and to their property, by the aggression of Germany by land, by sea, and from the air." The British Government held that its promise to consult the Dominions had been met by the general preliminary discussion of peace terms in the War Cabinet. But President Wilson's points had never been seriously considered there; and Mr. Hughes had received from the Australian Government a message raising specific objection to several of them, particularly point 3, which might be read to restrict the right of imposing discriminatory customs duties, and point 5, which might mean that occupied German colonies in the Pacific were to be given up. In a speech in London on November 7th he complained bitterly that both these points had been accepted by the British Government without consultation with the dominions, and stated that Australia would not be bound by adverse interpretations of them. He again protested against any restriction upon the right of the Allies to recoup from Germany their war costs.

It has been argued that Mr. Hughes could have made less aggressive use of the Australian Government's views; his method of quarrelling in public with friends and allies was criticised in Australia, both then and later. But a vital pledge had apparently been broken, and he was now fighting for something which the British Government was reluctant to give, and which undoubtedly resulted in advantage not only to the dominions but to the British Empire as a whole. For Australia at any rate, as an Australian at the front noted in his diary, there was definitely danger lest having helped to win the war she would find that she had lost it in the peace treaty. If those proposals which later, at Versailles, Mr. Hughes effectively resisted had been accepted by the British peace delegation, the results for Australia might have been grave, and the bitterness of her people would have been extreme.

Mr. Hughes strengthened his case for Australia's representation by taking steps to impress on British publicists the preponderating influence of the Australian and Canadian Corps in the victorious battle on the 8th of August, 1918. He himself, on being shown over the ground by the Official War Correspondent shortly after the action, had been immensely impressed by what had been accomplished there. Reports of the activity of dominion troops were at the time discounted in England as due to their being favoured by the publicity arrangements. Realising that their true part in this offensive was not known, he arranged for a number of newspaper proprietors and writers to be shown over the same ground and visit the Australian front as guests of the Australian Government. Seven successive parties were thus arranged, two of them, including Sir Arthur Conan Doyle,¹⁸ Sir Gilbert Parker,¹⁹ and Major J. H. Beith ("Ian Hay"),¹⁷ being present when the Fourth Army broke through the Hindenburg Line—a struggle which the begetter of *Sherlock*

¹⁸ Sir Arthur Conan Doyle. Author; of Windlesham, Crowborough, Sussex; b. Edinburgh, 22 May, 1859. Died 7 July, 1930.

¹⁹ Rt. Hon Sir Gilbert Parker, Bt. Author; of London; b. Canada, 23 Nov. 1862. Died 6 Sept., 1932.

¹⁷ Maj.-Gen. J. H. Beith, C.B.E., M.C., 10th Bn, Argyll & Sutherland Highlanders, commanded 27th Bde. M.G. Coy. Director of Public Relations, War Office, 1938. Novelist and playwright; of Alt-na-Craig, Oban, Scotland; b. Platt Abbey, Manchester, Eng., 17 April, 1876.

Holmes, together with Sir Joseph Cook, watched from the top of a derelict tank.¹⁸

But, while Mr. Hughes was strengthening the foundations for Australia's claims to direct participation in the peace negotiations, it is possible to understand the British Government's reluctance to extend too widely the new methods of peace negotiation. European diplomacy had its traditional methods, and it may frankly be admitted that it is not by any means clear that the world as a whole gained from departing from them in 1918-19. When previous wars ended, the soldiers gave place to the trained diplomatists, who understood each other's language and manners, and constructed their treaties in an atmosphere of dignified calm. There were no camera-men to "shoot" the scenes, and special correspondents, kept at a respectful distance, were officially fed on the crumbs gathered up from the mahogany tables and handed to them on silver salvers. But the ways of Castlereagh and Metternich, Clarendon and Stratford de Redcliffe, Salisbury and Dufferin, were not in fashion after the Great War; and whether the modes which were *de règle* were an improvement on those of earlier generations is a question which the post-war world has had time and occasion for pondering. The British Foreign Office was fluttered when the proposition emerged that the dominions should be represented at the Peace Conference. A distinguished witness has left on record an incident reflecting the pained surprise. "I well remember," writes Dr. A. E. Zimmermann,¹⁹ "a certain day in December 1918, when, as I was working in my room in the British Foreign Office, somebody entered in a condition of much excitement and told us that Canada wished to be represented at the Peace Conference, and was even taking an interest in the League of Nations. It was very inconvenient. What was the Foreign

¹⁸ Among the other principal visitors were: Messrs. H. C. Bailey, Canning Baily, and E. Price Bell, Sir William Berry, Messrs J. H. Blackwood and Robert Blatchford, Lord Burnham, Messrs. Boyd Cable and L. Cope Cornford, Col. Arthur Lynch, Messrs. Patrick MacGill, Thomas Marlowe, Neil Munro, E. R. Phillips, and Arnold White. At the invitation of the British Government, representatives of the dominion press also visited the front. The party from Australia comprised Messrs. Frank Anstey, H. Campbell-Jones, A. Carson, J. O. Fairfax, T. W. Heney, J. J. Knight, J. C. Mackintosh, S. H. Prior, W. H. Simmonds, Sir William Sowden, Mr. Geoffrey Syme, and Major W. A. Whitehead.

¹⁹ Sir Alfred Zimmermann. Staff Inspector, British Board of Education, 1912/15, Member of Political Intelligence Dept., Foreign Office, 1918/19, Deputy-Director, League of Nations Institute of Intellectual Co-operation, Paris 1926/30, Professor of International Relations, Oxford University, since 1930. B Surbiton, Eng., 1879.

Office to do? Well, what could it do? Canada's losses were as heavy as Belgium's. Canada had morally and materially as much right to share in those deliberations as the smaller allies."²⁰ Dr. Zimmern, being a man of great knowledge, with a large understanding of the dominions' point of view, was able at once to say the only satisfactory thing: the dominions must be represented, because of the extent of their sacrifice and their vital interest in the terms of settlement.

More surprising, however, than the shock to the nerves of the Foreign Office, was a certain official inclination in Australia to disapprove of the claim for direct representation. Mr. Watt, the Acting Prime Minister and Treasurer of the Commonwealth, cabled to Mr. Hughes:

Claim for representation of Dominions as Dominions, either at Versailles or Peace Conference, is not reasonable, and cannot be supported by the Cabinet. It is not proposed to ask Parliament to carry any resolutions claiming representation of Dominions as Dominions. We feel that it would be impossible to pass such a motion.²¹

An examination of the evidence affecting Australian public opinion at the time does not disclose that there was any opposition to direct representation. There was, on the contrary, an expectation that Australian interests would be watched by the Prime Minister from a position of advantage. The circumstance that the question was first raised by Canada is not in itself important. Mr. Hughes was not the man to permit his own claims to be ignored without emphatic objection. His strong and independent protests both in London and Paris against the acceptance of President Wilson's fourteen points, were not unrelated to his determination that Australia must be directly represented. If Canada made the first formal move, the precedence in time was insignificant. But the fact that Canada had raised the issue was not known in Australia, or perhaps Mr. Watt's cablegram would not have been sent.

Another piece of interesting evidence comes from South Africa. Dr. Engelenburg,²² the intimate friend and bio-

²⁰ A. E. Zimmern, *The Third British Empire* (1926), p. 30.

²¹ This cablegram was quoted textually by Mr. Hughes in a debate in the House of Representatives. *Commonwealth Parliamentary Debates*, Vol. XCIV, p. 5817.

²² Dr. F. V. Engelenburg. Editor, *Die Volkstem*, from 1889. Of Pretoria; b Holland, 1863.

grapher of General Louis Botha, in a well-informed page, writes that Mr. Lloyd George and Mr. Winston Churchill were "not enthusiastic" over the prospect of seeing the dominions figure as separate powers at the Peace Conference table. Lord Milner, on the other hand, "had abandoned his old 'proconsular' ideas about Empire structure," and strongly supported the ideas of Sir Robert Borden, Botha, and Smuts,²³ who were in favour of a frank recognition of the "autonomous international status, which the military prowess of the Dominions during the war had justified."²⁴

Dr. Zimmern does not give the date in December when the Foreign Office official's excitement occurred, but Mr. Hughes is precise as to when he raised the question. On December 3rd he attended a conference of the Allies which was held in the Cabinet room at 10 Downing-street. The French Prime Minister, M. Clemenceau, was there, together with Marshal Foch, General Weygand, Signor Orlando, Baron Sonnino, and the whole of the Imperial War Cabinet, including all the dominions representatives except General Botha. Mr. Lloyd George presided. Mr. Hughes had already established most cordial relations with the French.

We considered many urgently important matters, and the representatives of the Dominions spoke freely in the discussions. When the decision, made previously, upon the representation of small nations at the Peace Conference came up for review, I asked what share in the work the Dominions and India would have. The paragraph governing this seemed somewhat vague, and I requested an authoritative interpretation. After a short debate the Conference agreed that upon all matters in which they were directly interested—for example, the supply of raw material and the ex-German colonies—the Dominions' own representatives would be entitled to present their case. On the motion of Mr. Lloyd George, the Conference added India to the other Dominions, and she became entitled to the same representation as other small nations, *e.g.*, Belgium. We considered, too, Russia's representation, but as no representative of the United States was present, the Conference agreed that it could reach no useful conclusion.²⁵

If Mr. Lloyd George was not "enthusiastic," he accepted the idea of direct dominion representation, when it was raised, with a good grace, and fought hard for it against the opposition of the other Powers, whose reluctance can be

²³ General Rt. Hon. J. C. Smuts, C.H., Minister of Defence, South Africa, 1910/20; Prime Minister, 1919/24; commanded British force in East Africa, 1916/17. Of Doornkloof, Irene, Pretoria, b. 24 May, 1870.

²⁴ Engelenburg, *General Louis Botha*, pp. 317-8.

²⁵ Hughes, *The Splendid Adventure*, p. 95.

understood. "France, Italy and the United States were to have only five representatives each on the Conference. The admission of the claims of the Dominions and India to separate representation meant that the British Empire had in all fourteen representatives. That Mr. Lloyd George succeeded in gaining his point is an illustration of that remarkable skill in negotiation for which the future will assuredly give him full credit."²⁸ President Woodrow Wilson was not so much opposed as it was expected that he would be, and, after a discussion by the Council of Ten, it was in fact on his suggestion, supported by Mr. Lloyd George, that it was agreed, on the 13th of January, 1919, that the British dominions should have the right to be represented by delegates in the following numbers: Canada 2, Australia 2, South Africa 2, New Zealand 1, and India (including native states) 2. They thus ranked equal with the small powers except in two respects: if it came to a vote, they had no vote separate from that of the British Empire Delegation; but they possessed the great advantage of being within the delegation of one of the Great Powers.

The nature of the Imperial War Cabinet—which sat from June to December, 1918—needs to be explained, because it was unlike any other body which has ever met to deal with Empire business. It was not like the ordinary Cabinet of the United Kingdom, though it included all the members of that Cabinet, in addition to representatives of the dominions. It was not like an Imperial conference, which never included British ministers whose departments were not directly concerned with colonial or dominion business. It had no executive power. It could not determine that anything should or should not be done, though in practice its resolutions were carried out. It could not bind either the Government of Great Britain or the government of any dominion. Mr. Hughes explains the procedure in these terms:

Its members were made up of the first and other Ministers of Britain and of the Dominions, of representatives of many Governments. Although they followed the same procedure as ordinary Cabinets, deliberating and registering their decisions, these decisions were not, as is usually so, sufficient authority for whatever action might be necessary to effect them. There remained yet the approval or consent

²⁸ J. G. Latham, *The Significance of the Peace Conference from an Australian Point of View*, p. 6



A FAMILY COUNCIL.

THE IMPERIAL WAR CABINET IS NOW IN SESSION

55 CARTOON FROM *LONDON Punch*, 19TH JUNE, 1918

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of another Cabinet or of other Cabinets to be obtained. Where, for example, the thing proposed to be done fell wholly within the ambit or power of the British Parliament, the British Cabinet had to authorise the necessary action; and where these decisions fell within the powers of the Dominions, the same principle applied, although its application was much more difficult. What happened then was this: the decision having been arrived at, the Prime Minister of the Dominion affected and his colleagues assenting, the position was telegraphed to the Acting Prime Minister of the Dominion, who summoned his fellow Ministers, laid the matter before them, and communicated the result of their deliberations to his Prime Minister. He, in turn, informed the Imperial Cabinet. If the Government of the Dominion—which, it is very necessary to note, always remained in the Dominion—authorised the proposed step, action was taken by virtue of that authority. Always the decision of the Imperial Cabinet, *qua* Imperial Cabinet, was only a recommendation requiring the assent of the Government or Governments which had authority over the subject-matter covered by the decision before it could be translated into action.²⁷

The Imperial War Cabinet, then, was a war expedient for taking the dominions into consultation. The Prime Minister of Great Britain presided over it, and from time to time the situation was explained from the points of view of various ministers who had special knowledge—the First Lord of the Admiralty, the Foreign Secretary, the Minister of War, the Colonial Secretary, and the Chancellor of the Exchequer. The purpose was that the members should have “a comprehensive and accurate grasp” of the current position. The Chief of the Imperial General Staff frequently attended and explained the military situation on all fronts; and Sir Henry Wilson, who then occupied that supremely-important post, in his published diaries, bore testimony to the acuteness of Mr. Hughes’s comments, to his outstanding persistence in the struggle, and to his clear appreciation of the strategic principle, to which most soldiers adhered, that victory could only be won on the Western Front. Mr. Hughes frequently attended, and Sir Joseph Cook was likewise present on many occasions; as were also Sir Robert Garran, the Commonwealth Solicitor-General, and Mr. Latham—to become, years later, Chief Justice of Australia, but then Mr. Cook’s principal official adviser, and holding the rank of lieutenant-commander, R.A.N.R.

Another important respect in which the Imperial War Cabinet differed from an ordinary cabinet was that it had a

²⁷ Hughes, *The Splendid Adventure*, p. 50.

secretariat, and that shorthand notes were taken of its discussions, copies of the transcripts being afterwards distributed among the members. Sir Maurice Hankey²⁸ was the secretary, and he had three assistant secretaries, namely, Lieutenant-Colonel Storr,²⁹ Lieutenant-Colonel Amery,³⁰ and Captain Clement Jones.³¹ It was a well-established tradition of Cabinet government in the United Kingdom that notes should not be taken, even by Cabinet ministers, a point upon which Mr. Gladstone, for example, was very strict. But the proceedings of the War Cabinet were recorded in transcripts of shorthand notes running to hundreds of folio pages.

IV

The Australian Prime Minister came in contact with many public men, British and foreign, on his two visits to Europe, and some of them have left impressions of him. These are not always complimentary, for public men are habitually unsparing and sometimes ungenerous critics of each other. Mr. Hughes himself was not profuse in compliments when he had occasion to judge his distinguished colleagues. The Italian Prime Minister, Signor Nitti, though crediting him with sincerity, dismissed him as "a small-minded, insensitive, violent man"; but that statesman lived to come under the displeasure of one much more violent, in Signor Mussolini.³² The American ambassador to London, Walter Hines Page, in a letter to President Wilson, wrote:

I made a pretty close study of Hughes. He is not a big man. In many ways he is an ignorant man. But he is an earnest fellow, and, I think, quite honest. His economic grasp is not wide—a somewhat narrow but very earnest and surely very convincing man, a free-and-easy and ready campaigner with a colonial breeziness which "takes."³³

²⁸ Col Lord Hankey, G.C.B., G.C.M.G., G.C.V.O. Asst. Secretary, Committee of Imperial Defence, 1908/12; Secretary, 1912/38; Secretary, War Cabinet, 1916/19, Imperial War Cabinet, 1917/18; Secretary to British Cabinet, 1919/38; Clerk to Privy Council, 1923/38. Of Limpsfield, Surrey; b. Biarritz, France, 1 April, 1877.

²⁹ Lieut.-Col. C. L. Storr, C.B., p.s.c. Asst. Secretary, Committee of Imperial Defence, 1916/21; Asst. Secretary, War Cabinet, 1916/18. Officer of Indian Regular Army; of London; b. Brenchley, Kent, 18 Jan., 1874.

³⁰ Lieut.-Col. Rt. Hon. L. S. Amery. Served in Flanders and the Near East, 1914/16; Asst. Secretary, War Cabinet, and Imperial War Cabinet, 1917; First Lord of the Admiralty, 1922/24; Secretary of State for the Colonies, 1924/29, for Dominion Affairs, 1925/29. Of Lustleigh, Devon and London, b. Gorakhpur, India, 22 Nov., 1873.

³¹ Capt. C. W. Jones, C.B.; 4th Bn., Royal Welch Fusiliers. Of Crick, Rugby Eng; b. 26 June, 1880.

³² Francesco Nitti, *Peaceless Europe*, p. 198.

³³ Hendrick, *Life and Letters of Walter Hines Page*, Vol III, p. 305

M. Clemenceau, describing those whom he met at the Peace Conference, says:

In the first rank I ought to have placed Mr. Hughes, the noble delegate from Australia, with whom we had to talk through an electrophone, getting in return symphonies of good sense.³⁴

Major-General J. E. B. Seely,³⁵ who attended the Peace Conference in behalf of the British Air Ministry, says:

Among the many misadventures that befell President Wilson, not the least disconcerting was the presence of Mr. Hughes, Prime Minister of Australia, at the Conference. This strange man had the knack, possessed by none other, of knocking the President completely off his balance. As a natural consequence the President tended more and more to view any proposal from Australia with a somewhat unfriendly eye.

It was said by Mr. Hughes's political enemies in Australia that his popularity had waned when he visited Great Britain in 1918, that few people were still interested in him, and that, in effect, he was then regarded as of little account. There is no warrant for that disparaging estimate. It is true that the novelty had worn off, and there could not be a repetition of the curiosity and the enthusiasm which had marked his reception wherever he went in 1916. The atmosphere was different. In 1916 the British people were not daunted, certainly, but a little depressed, and the rousing eloquence of Mr. Hughes inspired them with fresh confidence and conviction. In the second half of 1918, the confidence in approaching victory needed no tonic. Moreover, the importance of a man's work—even, sometimes, of a politician's—is not accurately measured by the number of inches devoted to him in the newspapers. Mr. Hughes never lacked a "good press" in Great Britain; and if the "hang-the-Kaiser" brand of patriotism seemed to mark him as its favourite champion at the end of 1918, rather than the more sober variety of journalism, that was only because the elation of victory caught his impressionable nature as it caught so many others. But Mr. Hughes was a very busy man at this time. The typed reports of the discussions of the Imperial War Cabinet show that he was prompt to take up any question of particular interest to Australia; his chairmanship of the committee to

³⁴ *Grandeur and Misery of Victory*, by Georges Clemenceau, p. 141.

³⁵ Major-Gen. Rt. Hon. Lord Mottistone, C.B., C.M.G., D.S.O. Secretary of State for War, 1912/14; commanded Canadian Cavalry Bde., France, 1915/18; Deputy Minister of Munitions, 1918; Under-Secretary of State for Air, 1919. Of Mottistone Manor, Isle of Wight; b. Brookhill Hall, Derbyshire, 31 May, 1868.

consider the extent of the damage done by the German armies and the amount of reparations that might be claimed—an episode to be discussed later—and his work at the Peace Conference, occupied him fully. If he was not then the “man of the hour,” in the popular newspaper sense, he was in inner political circles a very considerable person.

V

After a preliminary meeting on December 2nd in London of representatives of the four great victorious powers—France, Great Britain, Italy, and the United States—to arrange procedure, the Peace Conference met in Paris in the new year. It began on January 12th with a session of the old Supreme War Council, which now met at the French Foreign Office (at Quai d'Orsay) and became known—so far as its treaty making activities went—as the Council of Ten. Some of the national delegations had arrived long before—President Wilson reached Europe on December 13th. They were installed in their various hotels, but the leaders lived privately, President Wilson and Mr. Lloyd George being almost opposite each other in the rue Nitôt. Each of the great nations had its separate guards and means of communication. The Americans, for example, had their own telephone and telegraph system extending not only through France but to their own establishments in England, France, and Belgium, and operated by American girls at the central exchanges. The British Empire delegation occupied five hotels.

The Australian members of it were Mr. Hughes and Sir Joseph Cook. The secretaries to the Australian representatives were Sir Robert Garran and Lieutenant-Commander Latham, who were also assistant secretaries to the British Empire Delegation. For the purpose of distributing the work of the assistant secretaries accompanying the delegation to Paris, a panel was arranged, according to which a particular dominion undertook to provide the assistant secretary for a particular day of the week. The original panel allotted to Canada the duty of providing the assistant secretary on Mondays, Australia was responsible for the Tuesdays, South Africa for the Wednesdays, New Zealand for the Thursdays, and India for the Fridays. But this panel was not adhered to rigidly in

practice. Sir Maurice Hankey was the secretary to the British Empire Delegation throughout. Most of the meetings took place at the Hotel Majestic, in the Avenue Kléber, but some were held at Lloyd George's house, No. 23 rue Nitôt.

The British Empire Delegation was of very great value to the dominions, as, in matters affecting their respective countries, it enabled their spokesmen to clarify the views of the British statesmen who were responsible for shaping the decisions which were ultimately embodied in the Treaty of Versailles. Mr. Hughes was quick to perceive the advantage which these conversations gave, and expressed his opinion of the status which the dominions thereby acquired:

Although technically the status of the Dominions and India was no higher than the status of the score of smaller nations which waited about with little information and even less influence while the four or five great Powers decided, in actual fact they were included in the deciding Powers, for, by virtue of their membership of the British delegation, they formulated the policy which their spokesman, the Prime Minister of the United Kingdom, advocated in the Council of Four. They were kept in touch with all that went on; they were able to express their views at every stage. On many of the important commissions on which the Great Powers were represented, the representative of the British Empire was a Dominion Minister, and no important step was taken except after discussion and agreement at the British Empire Delegation. Thus the right of the self-governing parts of the Empire to an effective voice in foreign affairs, recognised by Britain during the war, was fully exercised at the Peace Conference.³⁰

An additional reason for the importance of the British Empire Delegation arose from the manner in which the peace conference worked. An agitation had been commenced in some newspapers in Great Britain and the United States for the admission of representatives of the press to the proceedings. It was clear to the European statesmen—though President Wilson came less quickly to this view—that the affairs of nations could not be settled in the full blaze of publicity. Delicate adjustments could not be made if free and candid talk around a table was to be trumpeted to the whole planet through the megaphone of a sensation-loving and sensation-manufacturing press. But at the same time, it was not desired to give offence. At the highly formal plenary sessions of the conference the special correspondents could

³⁰ Hughes, *The Splendid Adventure*, p. 237.

obtain material for their brilliant pictures, while the real business was done behind closed doors.

For the great conference had a triple constitution. First came its primary division into the national delegations, each holding its own meetings, which of course were confidential, each supported by an army of experts,³⁷ advising upon every point submitted to them, and feeding their respective delegations with facts and arguments. The British Empire Delegation held regular meetings and was also frequently called together suddenly at odd moments to discuss some new developments. Second came the combination of the most important of the powers in the Council of Ten—which was a continuation (with the Japanese added) of the Supreme War Council, and comprised the heads of the five Great Powers together with their foreign ministers. It really appointed itself, and its proceedings were known as the “Informal Conversations.” Nevertheless it—with the even more exclusive councils that sprang from it—was necessarily paramount; it decided what matters should be submitted to the plenary conference, and how those matters should be prepared, and, in the end, determined the whole shape of the treaty. Indeed, without both centralisation and secrecy the task of securing decisions on all the vast subject-matter for the treaty was quite beyond hope. The Councils of “Four,” “Three,” and “Five” were later developments from the Council of Ten.³⁸ Third was the Plenary Conference on which the smaller as

³⁷ Messrs. H. S. Gullett, F. W. Eggleston, W. S. Robinson, and K. A. Murdoch were among those regularly accompanying the Australian delegates.

³⁸ The Council of Ten itself could not secure secrecy. It was assisted by numerous secretaries and by a host of experts, and, although the only publicity authorised was that of the bare official *communiqués*, accurate reports of many of the most secret proceedings got through to the press, the actual words used by members of the council being sometimes quoted. To avoid these leakages, and to make possible frank discussion between the heads of the chief powers, among whom there was often dangerous disagreement, and so expedite at least the treaty with Germany, a Council of Four—M. Clemenceau, Mr. Lloyd George, President Wilson, and Signor Orlando—was instituted. Later the foreign ministers (including the Japanese), who had formed part of the Council of Ten but were excluded from the Council of Four, were formed into a Council of Five, to which many important matters were delegated—the British delegates nicknamed it the “second eleven.” Later still the Italian plenipotentiary, Signor Orlando, being dissatisfied with the attitude of his three colleagues, especially Wilson, concerning Fiume, withdrew for a time from the Council of Four, and the reduced council was often referred to as the Council of Three. Sir Maurice Hankey was one of the five “general secretaries” of the Council of Ten, and the sole (unofficial) secretary of the Council of Four. (For the organisation of the conference, see Temperley’s *History of the Peace Conference of Paris*, Vol I, pp 236-71 and Ray Stannard Baker’s *Woodrow Wilson and World Settlement*, Vol I, pp. 174 et seq., Vol II, p. 4).

well as the greater powers were represented; but this had only six sessions before the signing of the treaty, and the small powers had practically to be satisfied with the pledge that they should be heard when their interests were concerned.

The method of the conference in grappling with the immense task of drafting the treaty was to divide the delegates into various commissions (committees would be the ordinary English term), each responsible for framing a section of the treaty—Reparations, League of Nations, Responsibility for War Offences, International Labour Legislation, and so forth—the Great Powers safeguarding themselves by the rule that they should be represented on all these bodies, the smaller powers being represented only where they themselves were concerned. The Council of Ten—or, later, of Four, or Three—sat up aloft, deciding problems submitted by the commissions and issuing instructions to them. Connection of each delegate with the work of all the commissions was maintained by the circulation of daily bulletins, and reports of the commissions' proceedings. Then came the final piecing together of the treaty by the draftsmen and its consideration as a whole by the Council of Four and by the separate delegations.

The proceedings at the plenary sessions, which fed the appetite of the world for news, "were invariably and necessarily pre-arranged and formal, except on one occasion, when the interests of the Dominions were not specially affected."³⁹ This method of procedure made it necessary that the dominions whose interests were at stake should have information as to what was happening at the councils and commissions whereat the real work of the Peace Conference was done. They secured this advantage through the British Empire Delegation. "If the Dominions had not been put into this position they would not have had access to the documents of the British Delegation, they would not have had the benefit of consultation with British Ministers, and they would not have enjoyed the services of the British staff. They would have been as separate and distinct as Uruguay or Siam, though they might have been more influential than Uruguay or Siam."⁴⁰

³⁹ Latham, *The Significance of The Peace Conference from an Australian Point of View*, p. 6

⁴⁰ *Ibid.*

VI

The question that most intimately affected Australia, New Zealand, and South Africa was that of the German colonies. In the early days of the war Australia was asked by the British Government to

seize German wireless stations at Yap in Marshall Islands, Nauru or Pleasant Island and New Guinea. . . . You will however realise that any territory now occupied must be at the disposal of the Imperial Government for purposes of an ultimate settlement at conclusion of the war. . . . Suggestion is being made to New Zealand in regard to Samoa.

In consequence of this suggestion New Guinea, and the neighbouring islands, were quickly occupied, and the German wireless stations at Angaur and Nauru demolished by Australian cruisers in September. The German wireless station at Yap was destroyed in August by a British squadron, but in October the Japanese, during their search for German cruisers, found that it had been repaired. They therefore placed a garrison on the island, but informed the British Government that the occupation was only temporary. "They are ready," said the British Secretary of State for the Colonies, in a telegram to the Australian Government, "to hand it over to an Australian force." The British Government suggested that Australia should forthwith occupy it, as originally intended.

The story of the Australian expedition which was immediately prepared for that purpose has been fully told in the volumes of this work dealing with naval operations and with the Pacific islands.⁴¹ The abrupt stoppage of this expedition by the British Government and the subsequent intimation (24th November, 1914): "We think it desirable for the present that the expedition to occupy German islands should not proceed to any islands north of equator," came as a complete surprise. For two years the reason remained obscure, but the request was scrupulously complied with, and thenceforth the islands north of the equator were dealt with by the Japanese, and those south of it by Australia and New Zealand.⁴² The reason for the change is now clear. The

⁴¹ Vols. IX (pp. 130-37) and X (pp. 148-173).

⁴² It would have been well if a public announcement could have been made as to the arrangement between Great Britain, Japan, and Australia. The sudden stoppage of the North-West Pacific expedition let loose a flood of rumours, all more or less disquieting and some absurd, which would have been prevented by a frank explanation of the position. The tongue of "the lying jade" wagged the more loosely because there seemed to be some foundation for her gossip. The absence of authentic

assurances from the Japanese Government in the first instance with regard to the Pacific islands were given at a time (August, 1914) when that Government, in common with the British, believed that Japan's active participation in the war would be confined to the siege and capture of Kiaochao. But later the British Admiralty found it necessary to ask the Japanese to extend their activities. British fleets were so fully engaged in the North Sea, and in convoying troops across the Indian Ocean, that they could ill be spared for the Pacific. Japanese aid was accordingly called in to assist in the convoy of the Australian forces, and to take part in the hunt for Admiral von Spee's squadron after it destroyed Admiral Cradock's squadron off Coronel on November 1st. The action of the Japanese at Yap has been referred to. The British Admiralty likewise asked them to call at Jaluit and destroy a German coal reserve there, which they did.

These cumulative events made a substantial difference to the attitude of the Japanese Government concerning the islands, and also, necessarily, affected the disposition of the British Government towards Japan. The services which the Japanese were requested to render were most efficiently and promptly discharged. Under stress of war conditions, they were occupying the islands more or less at the invitation of the Admiralty, and it would have been impossible to request them, even in the most diplomatic manner, to remove their troops unless they wished to do so.

The Foreign Office had no doubt that at the close of the war Japan would claim the islands north of the equator; but when first faced with this demand the British Government insisted that all territorial questions must be settled by the peace treaties. As the war continued, however, and the strain on British shipping was increased by the transport services entailed in the campaigns in the Near East and by the attacks

information likewise conduced to misleading in such a case as the following — On 2 Sept., 1915, the schooner *Takubar* called at Greenwich Island. Her master, A. D. Fendick, found that a Japanese man-of-war had visited the island some time before and hoisted the national flag, which was left flying. Mr. Fendick thought this curious, because he knew that a lease of the island was held by a British subject, Mr. Monton, who in fact was the owner of the *Takubar*. The master did not disturb the Japanese flag, but fastened the British union flag to another tree, and left both flying when he sailed away. He reported what he had done on his arrival at Sydney, and the Commonwealth Government informed the British Government, who pointed out that, Greenwich Island lying just to the north of the equator it was one of the islands which the Japanese might occupy temporarily under the arrangement which had now been approved, the matter of Mr. Monton's rights as lessee being left for future adjustment.

of submarines, the help of Japanese ships was desired in the Mediterranean—and, later, when the Australian warships had been called to Europe, in Australian waters also. When Mr. Hughes visited Great Britain in the first half of 1916, he had several interviews with Sir Edward Grey, and with the Secretary of State for the Colonies, the Japanese ambassador, and Foreign Office officials with regard to the position in the Pacific. Grey told him of the difficulty of securing the Japanese help for which the Allies were seeking, and said that it was clear that the Japanese would deeply resent any request to hand over the islands north of the equator; it would certainly affect the measure of their assistance, and possibly even their whole attitude towards their allies. Grey then asked Hughes if he would object to the islands being handed over to them. Mr. Hughes's reply was: "What is the use of my objecting? The thing has been done, and now you tell me what would follow if such an objection were sustained. I am confronted with a *fait accompli* and can do nothing."

Actually—though Mr. Hughes was certainly unaware of the fact—the British Government had long before taken pains to ascertain the probable attitude of Australia. Shortly after its telegram stopping the expedition to the islands, it had cautiously enquired through the Governor-General whether the Australian Government would object to the continued occupation of the islands by the Japanese if this arrangement was found expedient in the peace settlement. Mr. Fisher was then Prime Minister, and apparently he was consulted. The assurance was given (February, 1915) that Australian ministers were, at any rate, unlikely to raise serious protest.

At the beginning of 1917 the final renewal of the unrestricted submarine campaign brought Great Britain to the most dangerous crisis of the war. Every warship that could be obtained for patrolling was urgently required. In this extreme pass, the British and French Governments agreed that at the peace negotiations they would support the Japanese claim not merely to the German islands north of the equator—a demand which in fairness was completely justifiable—but also to the former German concession on the Shantung peninsula in China, which, in truth, did not belong to any of these allies but to China. In the course of these negotiations Mr. Hughes,

then back in Australia, was formally asked by the British Government (1st February, 1917) whether he had any objection to their giving a pledge to Japan to support her in respect to her continued occupation of the islands north of the equator. Mr. Hughes replied (February 7th):

Broadly, the attitude of Australia is that she would not object to Japan's occupation of the islands in the Pacific north of the equator except one or two small ones on or near the border line, of which Nauru and Ocean Island are typical. The Commonwealth Government will carefully abstain from doing or saying anything likely to strain or make difficult the relations between His Majesty's Government and Japan, either in regard to future partition of the Pacific or in regard to trade or in any other matter.

The sentiment and the political wisdom of this undertaking were admirable, but the geography was weak, because Ocean Island had all along been British, while Nauru lies south of the equator. The Colonial Secretary, who looked at the map before telegraphing—a precaution which the Prime Minister of Australia had neglected to take—politely intimated (February 8th) that he would “be glad to know what islands north of the equator you refer to as exceptions from general rule?” The Prime Minister replied (February 9th): “No objection giving some such pledge to Japan. Find that islands mentioned, Nauru and Ocean Island, are as matter of fact slightly south of the equator. Do not know names of any slightly north of line.”

Both a useful geography lesson and an important diplomatic settlement emanated from the exchange of telegrams, for the Secretary of State (March 2nd) wrote to the Governor-General the following letter, which for the time being closed the incident, and left the Pacific islands in *status quo*, subject to a final settlement at the Peace Conference:

With reference to your Excellency's telegram regarding the position of Japan in the Pacific Ocean, I have the honour to state for the confidential information of your ministers that the Japanese Government have been informed that His Majesty's Government accede with pleasure to the request of the Japanese Government for an assurance that on the occasion of the Peace Conference they will support Japan's claim in regard to the disposal of Germany's rights in Shantung and her possessions in the islands north of the equator; it being understood that in the eventual peace settlement the Japanese Government will treat Great Britain's claims to the German islands south of the equator in the same spirit. In acknowledging this communication the Japanese Government have expressed their high gratification at this fresh proof

of the solidarity of the relations of amity between the two nations, and further declare that they will not hesitate to support as requested the claims of His Majesty's Government.

A formal agreement between Britain, France, and Japan had been concluded by an exchange of notes on 17th February, 1917. The propriety of giving to one ally Germany's rights in the territory of another ally was questioned at the Peace Conference, but Mr. Lloyd George said:⁴³

At the time the submarine campaign was very formidable. There was a shortage of torpedo-boat-destroyers in the Mediterranean. Japanese help was urgently required and Japanese had asked for this arrangement to be made. We had been hard pressed and had agreed.

At the end of 1918 liberal opinion in England was seriously disturbed upon learning the contents of the secret agreements between the Allies for the carving up of the Turkish Empire and of the Balkan and Adriatic territories. The treaties were published by the new rulers of Russia, and were republished in England by *The Manchester Guardian* and the Labour press, but were ignored as embarrassing by most newspapers in Allied countries. Most of the treaties had, like the arrangement with Japan, been made under extreme pressure of circumstances, but their publication rendered it advisable that the Allies' war aims should be definitely stated.

At this stage the new Government of Russia, then negotiating peace with Germany, stressed the right of the population of each country to determine its own future. Mr. Lloyd George on December 24th proclaimed in general terms a similar view, and on the 5th of January, 1918, in his great speech to the Trades Union Congress in London, he declared that the consent of the governed must be the basis of any territorial settlement in this war. Even the African natives of the German colonies were capable, he said, of deciding what government they preferred.

This statement was made after some sort of consultation with General Smuts and Sir Edward Kemp, representing South Africa and Canada respectively; but Australia does not appear to have been consulted. On the day before it was made the Secretary of State for the Colonies telegraphed to the dominion governments concerned referring to the insistence

⁴³ See an article by E. T. Williams in *The American Journal of International Law*, July, 1933, pp. 430-31.

of the Russian leaders that the principle of self-determination should apply to German colonies taken by the Allies, and adding that in the French press there were indications of support for this attitude.

His Majesty's Government is convinced that for the security of the Empire it is necessary to retain after the war possession of German colonies, but owing to divergence of opinion amongst the Allies it has not been possible to secure acceptance of this view.

He accordingly suggested that the oversea dominions should furnish evidence of the desire of the natives in those colonies to live under British rule. Hard upon the receipt of this message came news of President Wilson's famous statement of his Fourteen Points, of which the Fifth laid down that in "all colonial claims . . . the interests of the populations concerned must have equal weight with the equitable claims of the government whose title is to be considered."

In reply to the British Government's request the Australian Government forwarded to it a statement from the Administrator of German New Guinea, pointing out, most fairly, that an attempt to consult the natives as to the nature of their future government would be an absurdity. In the case of German New Guinea, the inhabitants were scattered over a number of islands distant from one another up to 900 miles; of different races and languages, they were often at war with one another on the larger islands, and even after three years of British occupation some of them barely understood the difference between British and German rule. The Acting Prime Minister subsequently informed Mr. Hughes that the Administrator possessed little evidence of German atrocities in the islands. He reported that the Germans in their punitive expeditions showed no great regard for native lives, and employers were allowed to flog native employees in the maintenance of discipline, whereas under Australian administration this punishment could be ordered only by a government official after inquiry, and its infliction was hedged with restrictions. But the Administrator found here no sign of proceedings such as those in South-West Africa which had so shocked the modern world. Though individual German planters might be harsh, the German administration had been good and the natives spoke very highly of many German officials. The natives, however, had

not the mental capacity to formulate ideas as to their government; so long as they were protected and fed they were indifferent as to who ruled them. But Australian administration had greatly improved the native labour conditions. Apart from all this, however, the Administrator pointed out that the importance of the country to Australia both strategically and commercially was obvious, and so far as security was concerned this view was strongly supported by the Council of Defence.

This frank statement indicated truly the Australian attitude, and, when the projected conditions of peace were discussed by the Imperial War Cabinet, the Australian Government expected that the promise as to islands south of the equator would be carried out. It cabled to Mr. Hughes an assurance of its firm support in this matter, and after very strongly representing his views he succeeded in convincing the British Prime Minister; with the result that at the meeting of the Cabinet on the 20th of November, 1918, Mr. Lloyd George informed his colleagues that he had told the representatives of the United States "that the British Government considered that none of the German colonies should be restored, and that those captured by Dominion troops should be held by the Dominions which had captured them."⁴⁴ It was in that frame of mind that the British Delegation approached the question when they went to Paris for the Peace Conference; and, if it had been adhered to, Australia would have held German New Guinea in sovereignty, New Zealand would have held Samoa, and the South African Union would have held German South-West Africa. There was no issue on which Mr. Hughes felt more strongly.

But different opinions were expressed. Mr. Balfour, at one of the meetings of the Imperial War Cabinet, submitted that Great Britain, as a power which entered the war with every profession of disinterested action, should be careful to avoid coming out of the war with increased territory. He admitted the difficulties. He was convinced that the colonies should not be returned to Germany, but what should become of them was a problem which he did not elucidate. "Lord

⁴⁴ Hughes, *The Splendid Adventure*, p. 93.

Curzon,"⁴⁵ he said, "has written a paper, Mr. Walter Long has written a paper, General Smuts has written a paper, and I have written a paper, none of them quite agreeing with each other as to the proper method of dealing with the German colonies." The predicament was one which appeared to appeal to the temperament of the author of *A Defence of Philosophic Doubt*.

The Prime Minister of Canada, whose dominion had no interest in any of the German colonies, agreed with Mr. Balfour. He thought that a bad impression would be created in Canada if the British Empire came out of the war with a great accession of territory, "because the people of Canada are not prepared to fight, and will not fight, for any extension of the British Empire, which we regard already as unwieldy." He hoped that the United States of America would accept responsibility for the German colonies, agreeing with Mr. Balfour that they should not be restored to Germany. It was desirable, he thought, for the United States to recognise that she could not keep herself aloof from the responsibilities of the world. Therefore, he would have been willing that these colonies should pass under American protectorate or direct ownership. He admitted that the views of Australia and New Zealand concerning the Pacific islands were entitled to very careful consideration, yet, looking at the matter from a broader point of view, he thought that the transfer of the whole of the German colonial empire to the United States, if that nation could be persuaded to accept the responsibility, would make for the security and advantage of the world.

Lord Reading,⁴⁶ the British ambassador to the United States, however, who was present at the meeting of the Imperial War Cabinet at which these interesting comments were made, prepared the members for a different line of policy to be put forward by President Woodrow Wilson. "I cannot help saying from what I have seen of President Wilson, and

⁴⁵ Rt. Hon. Marquess Curzon, K.G., G.C.S.I., G.C.I.E. Viceroy and Governor-General of India, 1899/1905; Lord Privy Seal, 1915/16; Lord President of the Council, 1916/19; Secretary of State for Foreign Affairs, 1919/24. Of London and Kedleston; b. Kedleston, 11 Jan., 1859. Died 20 March, 1925.

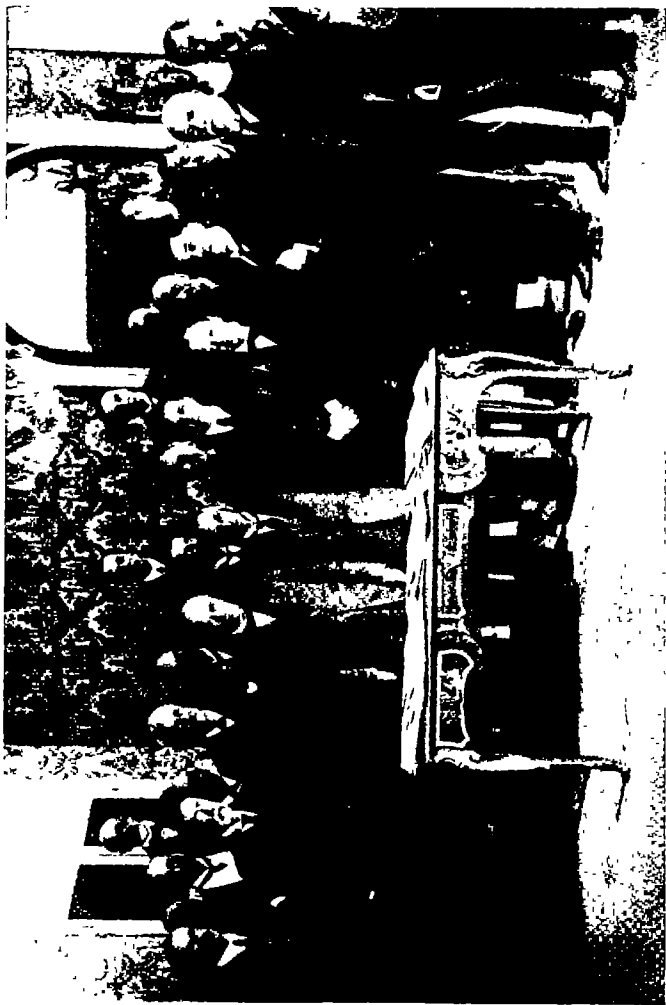
⁴⁶ Rt Hon the Marquess of Reading, G.C.B., G.C.V.O., G.C.S.I., G.C.I.E. Lord Chief Justice of England, 1913/21; President of Anglo-French Loan Mission to U.S.A., 1915; Special Envoy to U.S.A., 1917, High Commissioner and Special Ambassador to U.S.A., 1918; Viceroy and Governor-General of India, 1921/26. B London, 10 Oct., 1860. Died 30 Dec., 1935.



56 THE AUSTRALIAN PLENIPOTENTIARIES AND THEIR STAFF AT THE PEACE CONFERENCE IN PARIS, 1919

Back row (left to right) Lieutenant F. W. Eggleston, Miss Carter (typiste), Mr. R. Mungovan, Captain H. S. Gullett, Mr. W. E. Corrigan (messenger), Miss Wood (typiste)
Front row Lieutenant-Commander J. G. Latham, Rt. Hon. Sir Joseph Cook, Rt. Hon. W. M. Hughes, Sir Robert Garran, Mr. P. E. Deane

*Lent by Rt. Hon. J. G. Latham
 Austral. Memorial Collection No. A.615*



57. A MEETING OF THE BRITISH EMPIRE DELEGATION AT MR. LLOYD GEORGE'S HOUSE IN THE RUE NIJOT, PARIS, ON 1ST JUNE, 1919, WHEN THE GERMAN REPLY TO THE

PEACE TERMS WAS CONSIDERED

Left to right Rt Hon Sir Joseph Ward, General J. C. Smuts, Lord Milner, Rt Hon Sir Joseph Cook, Rt Hon Sir George Foster, Rt Hon G. N. Barnes, Rt Hon A. J. Balfour, Rt Hon E. S. Montagu, Rt Hon D. Lloyd George, Lieut.-Commr J. G. Latham, Rt Hon Austen Chamberlain, Rt Hon W. M. Hughes, Rt Hon H. A. L. Fisher, Lord Bickenhead, Regt.-Admiral G. P. W. Hope, Rt Hon W. S. Churchill, Lieut.-Colonel Sir Maurice Hankey, General Sir Henry Wilson, General Rt Hon Louis Botha, Captain C. W. Jones, Captain E. F. C. Lane, Rt Hon W. F. Massey, Mr P. H. Kerr, Hon C. J. Doherty

Lent by Rt Hon J. G. Latham

Aust War Memorial Collection No. 42616.

the discussions I have had with him," said Lord Reading, "that you must be prepared to find him of very strong opinion when he comes to the Peace Conference." Pressed to be more precise, Lord Reading stated that President Wilson had said: "Nobody has the right to get anything out of this war, because we are fighting for peace, and, if we mean what we say, for permanent peace."

VII

There is no doubt that President Wilson's attitude was in accordance with the public professions of British leaders and the wish of many of those who formed the finest—and possibly the wisest—element of the cultured class in Great Britain. His intention was that such transfers of territory as had to be made should accord with his Fourteen Points, regard being had to the dictates of equity and the wishes of the subject populations. He wished to keep the settlement free from the old time methods by which each power grabbed whatever territory it could lay or keep its hands on. Any direct participation in such settlements would be most uncongenial to Americans, and he therefore leapt at the notion of the League of Nations, whose machinery, when once established, might settle these territorial questions in a judicial atmosphere after careful inquiry. In particular he was attracted by the suggestion of General Smuts, that certain captured lands should be allotted to approved States to be held as a trust for the inhabitants, not in absolute sovereignty but by "mandate" from the League of Nations and subject to its supervision. This plan—of socialistic origin—President Wilson had adopted in his draft of the covenant of the League, and he had extended its proposed application to include all former German colonies.

President Wilson was determined that the first business of the Peace Conference should be the establishment of the League. He hoped to return early to America with this achievement behind him. And when, on January 22nd, the Council of Ten approved of its establishment, his plan seemed to have cleared the initial dangers and to be sailing with a fair wind. Actually, it was heading straight for rocks which within a few days threatened to wreck the conference.

The European representatives on the Ten were determined

to secure a decision as to the division of occupied territories before referring it to the League of Nations. Lloyd George and Clemenceau therefore at once proposed that the case of the German colonies should be discussed immediately. The representatives of Italy and Japan pressed the same view. The matter came before the British delegation next day. The attitude of Mr. Hughes towards President Wilson's Fourteen Points has already been described. To him it seemed that this American dreamer, for the sake of some copy-book principle, was now attempting to rob the Allies of their hard-won hopes of annexing territories deemed necessary for security against future aggression. At no time was Mr. Hughes enamoured of the proposal to set up a League of Nations, which, he said in an interview with a London newspaper, "did not strengthen the power of the Allies nor weaken that of Germany. In his protest now made he was, strangely enough, associated with General Smuts, who had devised his "mandates" plan to meet the case of the conquered portions of the Turkish and Austrian Empires but had never intended that it should be applied to the German colonies adjoining the British dominions which had captured them. The proposal of President Wilson that it should do so raised most serious questions for Australia and New Zealand. Although it might be presumed that the mandates for governing the Pacific islands south of the equator would in the first place be allotted to those dominions, there was nothing to prevent this privilege from being restored in the future to Germany or even given to Japan. And even if Australia and New Zealand received the mandates, they must apparently give free access to not only trade but immigrant labour from any country. The Australian Government under Mr. Watt's leadership recognised this danger and in answer to an appeal from Mr. Hughes for vigorous support it informed him on January 28th of its emphatic objection to the transfer of the islands to any sort of international control, and repeated its claim that they should be secured by Great Britain or Australia as insurance for Australia's safety.

The desire of Australia and New Zealand to secure the islands south of the equator was afterwards castigated, particularly in America, as arising from a spirit of "greed" and

"grab." Actually, control of the islands was sought for one reason and one only—protection against a grave external danger. Fortification of them by any great power was a menace to be avoided; but far more dangerous would be unrestricted immigration into them from the great nations of Asia, bringing the boundaries of those peoples practically to the Australian border. The riches of New Guinea and of its archipelago left Australians completely cold. Nauru, from which came manures of great value to Australian farmers, was an exception, but only to this extent—that, when it became known that its ownership was to be allotted to some mandatory power, the desire to possess or control these manures caused the Australian Government to put in a strong claim. But Australians would never have fought for the principle of annexation merely for the sake of securing that wealth. Their one vital interest in the Pacific islands was to prevent them from becoming a future danger to the White Australia policy. Comparatively unimportant in themselves, they might, if under foreign or international domination, become crowded, not with their own islanders, whom no one feared, but with immigrants from China or Japan. Without any original hostile intention, incidental quarrels arising between Australia or New Zealand and such neighbours might precipitate a struggle in the Pacific, resulting possibly in the partial or total loss of Australia and New Zealand to the British Empire and to the European race. Thus, if the result of the Great War was to throw open the former German colonies to immigration, it was more than possible that the success of the Allies, for which Australia and New Zealand had made such sacrifices, would result in sheer disaster for themselves. Every Australian was alive to these dangers, and the obvious way to avert them was to secure the right to prevent immigration to the neighbouring islands. This, Mr. Hughes believed, could be secured only by annexation. South Africa, probably desiring to avoid the terrible problems that might flow from an influx of several unassimilable races into the neighbouring territory of German South-West Africa, had similar reasons for seeking to annex it.

At the meeting of the British delegation on January 23rd the Australian Prime Minister said that he hoped the dele-

gation would oppose the system of mandates altogether. "Do you mean," enquired Mr. Balfour, "that we should oppose it throughout?" "We should oppose it," replied Mr. Hughes, "so far as the German colonies claimed by the Dominions are concerned, but we need not necessarily oppose it in places like Mesopotamia and Palestine."

The British members of the delegation generally—though with varying degrees of enthusiasm—were prepared to accept the mandates plan and to apply it to all enemy territory occupied by British troops. One strong reason for this certainly was that the territories allotted to the French and Italians would thus be kept open to British trade. But the special interests of the dominions were appreciated, and Mr. Lloyd George arranged with M. Clemenceau, who presided, that the dominion Premiers themselves should lay their views before the Council of Ten. This took place at once, on the afternoon of January 24th. To Clemenceau the Australian leader was a constant source of delight.

"Bring your savages with you," he said to Mr. Lloyd George beforehand; and to the Australian: "Mr. 'Ughes, I have 'eard that in early life you were a cannibal."⁴⁷ "Believe me, Mr. President," said the Commonwealth Prime Minister, "that has been greatly exaggerated."

According to an American author,⁴⁸

at the afternoon session of January 24th there was a great stir in the outer room of the French Foreign Office, where behind double-locked doors the Council of Ten was sitting. "At this stage," reports the Secret Minutes, "the Dominion Prime Ministers entered the room."

The Canadian Prime Minister had decided to lend his help to his Australian, New Zealand, and South African colleagues, and accordingly came with them. Mr. Lloyd George explained that they were there to present their claims for the possession of those German colonies which had been captured by their troops. He went on to say that the German Government had shown itself unfit to exercise control over backward races, instancing their deliberate policy of exterminating the natives of South-West Africa. On behalf of the British Empire as a whole, he would be very much opposed to the return to Germany of any of these colonies. President Wilson remarked

⁴⁷ The quotation is from Winston Churchill's *World Crisis. The Aftermath*, p. 152. According to other authorities, however, this particular pleasantry was the one with which M. Clemenceau habitually greeted Mr. Massey, the Prime Minister of New Zealand.

⁴⁸ Ray Stannard Baker, *Woodrow Wilson and World Settlement*, Vol. I, p. 254.

that he thought all were agreed on that point. Signor Orlando (Italy) and Baron Makino (Japan) concurred, and that principle was thus summarily adopted.⁴⁹

Mr. Lloyd George now put to the Council three possible methods of controlling these territories: direct control by the League of Nations (which was rejected, owing to the unhappy results of international control in the past); control through a mandatory power as trustee for the League; and outright annexation, which, he said, he favoured in the case of these dominions, since, being adjacent to New Guinea, Samoa, and South-West Africa respectively, they could best develop and finance those areas as part of their own territory.

Mr. Hughes, who followed, said that the Pacific islands encompassed Australia like fortresses; any strong power controlling New Guinea controlled Australia. That danger had been recognised fifty years before, when Queensland annexed this part of New Guinea, but the British Government had not ratified the action. It was fair to insist on the rights of the natives, but they would be secure under Australian control, which would constitute a threat to no one. Mr. Hughes closed his appeal with a reference to Australia's heavy sacrifices of men and money in the war.

General Smuts, South African Minister for Defence, said that South-West Africa, desert country fit only for pastoral pursuits, was geographically one with South Africa, which could best develop it. If it remained separate, German agitation for its return would create division between the whites in South Africa where the great need was for union.

After the Prime Minister of New Zealand, Mr. Massey, had urged his country's claim for annexation of Samoa, Sir Robert Borden said that all the cases rested on the plea of security. Canada made no claim for herself, having no fear for her own safety, but she recognised that the other dominions required special measures for theirs. He supported a plea of

⁴⁹ President Wilson had, however, taken pains to inform himself concerning German colonial rule. His adviser on colonial matters, Professor G. L. Beer of Columbia University, sought information from Australian sources, and a special study of events in South-West Africa and the Carolines, as well as of German trade and labour policy in New Guinea and Samoa, was made by Mr. (now Mr. Justice) H. S. Nicholas of Sydney and Professor Archibald Strong of Adelaide. They concluded that, on the whole, the criticisms of German colonial rule were justified. The paper was duly laid before the President.

General Smuts (with which President Wilson agreed) that the British Empire was in itself a smaller League of Nations.

The struggle for annexation continued for a week. All the continental powers interested desired to annex territory, but they allowed the British Dominions and Japanese—and in particular Mr. Hughes—to lead the fight in the Council with French and British support. The sessions of the Ten were interrupted on Saturday, January 25th, by a plenary meeting of the Conference, which passed the resolutions for establishing a League of Nations, but—contrary to President Wilson's desire—set up a commission to settle its covenant.⁵⁰ When the Ten met again, on Monday 27th, the Japanese presented their claim for the islands north of the equator, and for the transfer to Japan of the German rights in Shantung (which Japan promised duly to restore later to China). Baron Makino based each claim upon the part played by the Japanese forces in putting an end to German activity in the Far East. An impassioned reply to the Shantung demands was made by the Chinese Foreign Minister, Dr. Wellington Koo, next day.

On the 27th President Wilson replied to General Smuts. If South Africa became the mandatory for the adjacent territory, and administered it so well that the natives desired union with South Africa, he would be the last to object. Turning to the objections of Mr. Hughes, these, he said, were based on fundamental lack of faith in the League of Nations. If unlimited annexation was likely to continue, he, President Wilson, would be inclined to agree with the Australian case; but under the system which they were seeking to set up, if anyone tried to take away a mandated territory, such a nation would become an outlaw, and all nations, with the United States in the lead, would be pledged to take up arms on behalf of the mandatory.⁵¹ Therefore all danger of bad neighbours was past. The alternative to the League was chaos, and for that reason the League must succeed, and, if all the delegates in the room so decided, it would succeed.

⁵⁰ This action has been interpreted by some Americans as a device for delaying the establishment of the League; actually, it originated from quite other motives, and President Wilson himself was later forced to have recourse to the commission to amend his draft covenant to satisfy public opinion in the United States.

⁵¹ On January 28, in reply to Mr. Massey's fears concerning Samoa, President Wilson said that under the régime of the League of Nations there was little chance of any power playing there "the part played by Germany" (i.e., an aggressive one) without attracting the attention of the United States.

The dominion leaders, however, felt that, in this problem of life or death for their nations, they were being asked to accept a solution of which not even the fundamentals had yet been thoroughly considered. Mr. Lloyd George, too, inquired whether, inasmuch as British colonies meant Imperial expenditure—not income—the League would share that expenditure? President Wilson said that in certain circumstances he thought it should. As Mr. Lloyd George desired to consult his Colonial Office on such points, the discussion was adjourned, and that evening a meeting of the British Empire Delegation was held with officials of the Colonial Office present. The general opinion at this meeting clearly was that the difficulties in the way of the League's contributing money towards the development of mandated territories were almost insurmountable; but steps were taken towards making clear what a "mandate" meant. General Smuts said that he and Lord Robert Cecil had agreed that the territories to be dealt with fell into three categories. First, "the German colonies with a British dominion next door. In these cases there should be annexation. . . . Second, German colonies in Central Africa. These were to be distinguished from the first class by the circumstance that the world as a whole was interested in them. They were cases for a mandatory. . . . Third, other cases where the people of the territories could speak for themselves, but where they required assistance in government and in the development of the country, *e.g.*, Syria and Mesopotamia." These last, he said, should be dealt with by the League of Nations. The Secretary of State for India, Mr. E. S. Montagu, urged the advantage of applying the mandatory principle to such countries as Mesopotamia.

Next morning (January 28th) the British Prime Minister had a long conversation with President Wilson, whom he found to be still adamant against annexations but prepared to agree that the conditions of mandates might vary. From this moment Mr. Lloyd George's support of the Dominions' case seemed to weaken. He announced to the Ten that, as the result of the consultations with the Colonial Office officials, he saw no insuperable difficulty—so far as enemy territories occupied by British (as distinguished from Dominion) troops were concerned—in accepting the mandate system. He would

like to hear the French view. M. Clemenceau promised that this would be stated at a subsequent meeting. After lunch the British Delegation again met to explore the possibilities of solution and, in particular, to reduce the opposition of Mr. Hughes and Mr. Massey. The effort developed considerable heat. Mr. Hughes pointed out that the Australian Parliament had passed a resolution, after a discussion which showed strong opposition to the mandates proposal. He had just received a cablegram from the Acting Prime Minister informing him that the Commonwealth Cabinet was unanimously against tenure by mandate. He was quite certain that the Commonwealth Parliament would not provide money for the development of New Guinea if Australia was to be in that country only as a mandatory of the League of Nations and if the League (as President Wilson suggested) could be called upon to provide money.

Lord Robert Cecil⁵² thereupon took up the case for the mandatory system, by urging that the claim for absolute annexation of the former German colonies represented the spirit of the Congress of Vienna in 1815, which was opposed to the spirit upon which the hope of a new system for the world was based. Mr. Hughes asked whether Lord Robert Cecil did not make any distinction between German colonies whose position geographically was a menace to self-governing dominions, and other German colonies such as Togoland? Lord Robert's answer was that if Australia was a mandatory power she would be entitled to have, and would in fact have, absolute security. Therefore the question of the security of a dominion really did not arise. In such a case as New Guinea, he was inclined to think that the mandatory should have all the essential rights of sovereignty, and should report annually to the League of Nations.

Mr. Massey, the New Zealand Prime Minister, promptly came to the support of Mr. Hughes with the question: "What would happen if Australia became the mandatory for New Guinea, and did not give satisfaction to the League of Nations?" "That question could only arise," Lord Robert thought, "in case of gross misgovernment by Australia."

⁵² Rt. Hon Viscount Cecil. Parliamentary Under-Secretary for Foreign Affairs, 1915/16; Minister of Blockade, 1916/18; Asst. Secretary of State for Foreign Affairs, 1918, Lord Privy Seal, 1923/24. Of Chelwood Gate, Sussex; b London, 14 Sept., 1864.

He felt sure that no such question would arise, but, if it did, there would be a public discussion of Australia's conduct before the League of Nations, and probably a definite expression of opinion. "Well, that," said Mr. Hughes, "would be an appeal from the men who knew to those who did not know." Another important point was that at present Asiatics were not permitted to enter British New Guinea (Papua). If Australia was to administer German New Guinea as a mandatory, was it to be assumed that the principle of the open door would make it impossible to exclude them from the territory? If Asiatic immigration were allowed, it might result in the population becoming mainly Asiatic in the course of a few years.

At the end of the discussion on the subject, Mr. Lloyd George said that Great Britain was prepared to accept the general principle of the mandate system, but it was evident that the dominions did not desire it in particular instances, and Great Britain was doing her best to support them. General Botha suggested that, as the question was now "largely one of tactics," it would be wise to let France and Italy come forward and state their cases. Meanwhile it was agreed that he, Mr. Hughes, and Mr. Massey should form a committee to draw up a resolution defining the view of the British Empire Delegation with regard to the mandate system.

At the afternoon meeting of the Ten, which immediately followed, the French Minister for the Colonies urged that France should be allowed to annex Togoland and the Cameroons. The claim was supported by a secret treaty between France and Great Britain, the disclosure of which (at the morning session) had been followed by that of secret arrangements between France, Great Britain, and Japan, and the Pact of London between France, Great Britain, and Italy. President Wilson insisted, and the others agreed, that these treaty arrangements must be regarded as merely provisional. But this day's proceedings brought the President to the end of his patience. All the powers paid lip-service to the mandates plan, but the discussion, he said, had so far been in essence a negation of that whole principle in detail, "one case at a time." It had brought them "to the point where it looked as if their roads diverged." He suggested that they

should adjourn for a few hours, as he feared "a serious disagreement."

It was Arthur Balfour who saved the situation by pointing out that Great Britain had accepted the mandates principle so far as territories occupied by her own troops were concerned; he himself was strongly in favour of it—but, after all, it had not been worked out in detail. Were the mandates to be permanent? Would the League assist with money? Must the same conditions be applicable in all cases? President Wilson replied that he rejoiced in the British Government's acceptance, but it was the only one. The French Colonial Office apparently could not accept the principle. The world would say that the great powers first portioned out the helpless parts of the earth and then formed the League of Nations. He could not postpone the matter—he had to return temporarily to America at a fixed date. He did not insist on his own outline of the mandates plan, but he desired the acceptance of the genuine idea of trusteeship. All must make sacrifices if they were not to take up again the intolerable burden of competitive armaments.

This outburst had immediate results. Signor Orlando said that Italy would readily accept whatever principles were adopted, provided that she could share in the work of civilisation. M. Clemenceau said that the French Colonial Office had expressed its views, but that did not mean that he himself was not ready to make concessions if reasonable proposals were put forward. He would not dissent from the general agreement merely for the sake of the Cameroons and Togoland, but he was apprehensive of a League with powers of legislation and constant interference. Mr. Lloyd George appealed to the President to clear away doubts by agreeing that the mandatories should be appointed at once, by the Council of Ten instead of by the League, but Wilson would have none of it; the proceeding would appear to the world as a mere distribution of the spoils.

This meeting had brought the national leaders face to face with the possibility of a breakdown of the Peace Conference. If, on President Wilson's return to America, the impression spread there that he had left the Allies scrambling over the spoils, the effects everywhere might be disastrous. President

Wilson's protest had forced the British leaders to make clear their acceptance of the mandate system, whatever the dominions might do; and the British promise brought less definite ones from France and Italy. In adjourning the meeting, however, M. Clemenceau said that the principle of mandates had not yet been accepted.

But agreement was not so distant as the increasing tension in the Council of Ten seemed to portend. While the tone of the national leaders was becoming embittered, their seconds were meeting in an atmosphere of tobacco smoke and cordiality, and over their teacups some of the best work of the conference was proceeding. Lord Robert Cecil and Colonel House, Wilson's chief adviser, had been thrashing out the mandate difficulties, House urging that the dominions should accept mandates, since Wilson would agree that the mandated territories might at any time afterwards be annexed if the native inhabitants voted for it, Cecil pointing out that, although this was his view, the dominions would not concur. Next day House wrote to Wilson that all the British delegation were opposed to Hughes of Australia in his stand for annexation, and suggested that Wilson should bring matters to a head by making a public statement of the position.

That suggestion, however, was not acted upon; for within the British Delegation a means of solving the problem had been evolved. The mandates principle had adherents even among the very able staff which accompanied the Australian delegation. Lieutenant-Commander Latham, for example, privately held that its adoption was in the highest interest not only of the Empire generally but of Australia. After the meeting of the delegation that generated such heat he pointed out to his British and Canadian fellow-secretaries that much of the discussion was based on the assumption that a mandate necessarily meant an open door for immigration and trade, but that, after all, the term was still undefined and could be made to mean whatever the Conference said it meant. For example, in the case of the territories that were so important to South Africa and Australia, it could be given a connotation which, so far as their interest was concerned, was equivalent to ownership. Latham then drafted a paragraph explaining what he meant. Sir Maurice Hankey added

one or two words to it and Latham some others,⁵³ and it finally read:

There are territories such as South-West Africa and certain of the South Pacific Islands which, owing to the sparseness of their population or their small size, or their remoteness from the centres of civilisation, or their geographical contiguity to the mandatory State, and other circumstances, can be best administered under the laws of the mandatory State as integral portions thereof, subject to the safeguards above-mentioned in the interests of the indigenous population.

This provision, while still making the mandatory responsible to the League of Nations for the humane treatment of the natives, as Wilson desired, would enable the dominions, if given the mandates, to apply their own immigration laws to these territories, and so safeguard them against the foreign influx which was so keenly feared.

The actual drafting of the resolution setting forth the delegation's view appears to have fallen largely on Colonel Hankey. To meet the opinions of President Wilson, the draft began with a statement of the principle that advantage should be taken of the opportunity afforded by the necessity of disposing of the colonies and territories formerly belonging to Germany and Turkey, which were inhabited by peoples not yet able to stand by themselves in the strenuous conditions of the modern world, to apply to those territories the principle that the well-being and development of such peoples formed a sacred trust of civilisation, and that securities for the performance of that trust should be embodied in the constitution of the League of Nations. The opinion was expressed that the character of the mandate issued by the League of Nations for the government of such territories should differ according to the stage of development of the people, the geographical position of the territories, and their economic conditions. The resolution then defined the two classes of the proposed mandates hitherto envisaged by General Smuts and Lord Cecil:

(1) Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognised subject to the rendering of administrative advice and assistance by a mandatory Power until such time as they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of the mandatory Power.

⁵³ Hankey added the word "integral" and Latham the phrase "subject to the safeguards above-mentioned in the interests of the indigenous population."

(2) Other peoples, especially those of Central Africa, are at such a stage that the mandatory must be responsible for the administration of the territory under conditions which will guarantee the prohibition of abuses such as the slave trade, the arms traffic, and the liquor traffic, and the prevention of the military training of the natives for other than police purposes and the establishment of fortifications or military and naval bases, and will also secure equal opportunities for the trade and commerce of other Members of the League of Nations.

Colonel Hankey now added the clause suggested by Latham providing for a third class of mandate. He showed the draft to Mr. Lloyd George, who approved and showed it to several of his colleagues including General Smuts. As the committee charged with finding a solution had apparently been unable to find one, the Prime Minister adopted the draft as his own solution. President Wilson's chief adviser, Colonel House, records that at 10.30 a.m. on the 29th General Smuts brought to him this paper, which, he said, Lloyd George and some others approved of, but

which they had not offered Hughes and Massey. They did not want to present the paper unless they knew it was satisfactory to the President. When I read it I saw they had made great concessions. . . .⁸⁴

House wrote on the margin a memorandum of his own approval, and sent it to President Wilson, then at the Council of Ten.

Mr. Lloyd George, as House records, "cut" that session of the Ten in order to preside at the urgent meeting of the British Delegation called at his own house for 11.30 in order to push the resolution through. He opened this meeting by saying that he feared a deadlock, and that President Wilson would leave the country before an agreement had been reached. He hoped the opportunity would now be seized of pushing on with a satisfactory settlement. He then placed the draft before the meeting. Mr. Hughes at once protested that this resolution would give Australia no certainty that she would secure the mandate for New Guinea, or that the mandate would include the archipelago. If it did, could the Australian immigration laws be made to apply throughout the whole territory? Mr. Lloyd George replied that they could be enforced in New Guinea (this being adjacent to Australia), but he would consult with President Wilson as to whether

⁸⁴ *The Intimate Papers of Colonel House, Vol. IV, p. 309.*

that principle could be accepted for the more distant islands. On his suggestion, Latham's clause was amended so as to confine its application to "certain of the South Pacific Islands." Mr. Hughes was warned against pressing the Australian case too far—it might give the Japanese a right to secure military bases in their islands.

The Australian Prime Minister was deeply dissatisfied; he felt that Australia's safety was imperilled. But it was decided that—subject to discussion to be held forthwith by him with Mr. Massey and General Botha—the British Prime Minister should present the draft resolution to the Ten that afternoon. Mr. Lloyd George told them that if they persisted in asking for more than this compromise gave them they must go on without the help of the British Government and all that this implied. At this stage Mr. Lloyd George and Mr. Hughes had a heart-to-heart talk. "For the first time we gave up English," said Mr. Hughes afterwards, "and went into Welsh." Finally Colonel Hankey was left with him to thrash out the points of the resolution. At the end Mr. Hughes asked: "Is this the equivalent of a 999 years' lease as compared with a freehold?" Hankey assured him that it was. The Australian Prime Minister notified Mr. Lloyd George in writing that he accepted it, subject to the approval of his Government, and asked that this be made clear to the Council of Ten.

When the Ten met on the following day (January 30th) Mr. Lloyd George circulated the resolution to his colleagues. The dominions would accept it, he said, in order to avoid the catastrophe of a deadlock. He adroitly described the third class of mandate as applying to territories "which formed almost a part of the organisation of an adjoining Power, which would have to be appointed the mandatory." Mr. Hughes, speaking next, said that, recognising the immense interests at stake, he did not feel justified in continuing his opposition beyond the point which would reasonably safeguard Australia; but his Government had asked for full details and he must withhold his assent until he heard from it.

President Wilson was at this time smarting under attacks in the Press, which had culminated that morning in an article in the *Paris Daily Mail* portraying him as an unpractical

idealist standing out against the dominions' claim. Obviously the writer knew of the proceedings in the Council of Ten. These were supposed to be secret, but confidential reports were circulated and had apparently leaked through one of the delegations. He intimated that, if these attacks continued, he would be compelled "to make a full public explanation of his views."⁸⁵ The tension resulting from this incident was evident throughout that day's sessions. President Wilson said that no one could tell the Australian Government what the mandate system involved. He had entertained certain views, but they had not been adopted—there were apparently other views. He had been accused of being a hopeless idealist, but he never accepted an ideal until he could see its practical application. Mr. Lloyd George's scheme of mandates certainly cleared away the difficulties, but there must be a preliminary peace establishing the League of Nations, which should then issue mandates to "fit the case as the glove fits the hand." Mr. Lloyd George replied that the President's statement filled him with despair. It was with great difficulty that the dominion leaders had been prevailed on to compromise; yet the President now declared that the acceptance of this compromise must depend on agreement on a number of other matters.

The President having eventually been induced to give his approval subject to reconsideration when the full League of Nations scheme was drawn up, it was the turn of Mr. Hughes to protest that it would not satisfy Australians to be told that the mandates "would fit like a glove to the hand." They could not decide until they knew what it all meant. Later, a stubborn speech from Mr. Massey caused President Wilson to inquire whether he was to understand that Australia and New Zealand were presenting an ultimatum to the conference. Was this proposal the maximum of their concession, and, failing its acceptance, did they mean to do what they could to stop the whole agreement? Mr. Massey said "No." Mr. Hughes, who heard with great difficulty, had the question repeated to him by the President and replied that "President Wilson had put it fairly well. That was their attitude."

⁸⁵ Mr. Lloyd George described the article as "monstrous," and General Botha said that he flung the paper away on seeing it.

The shocked amusement which followed this apparently defiant answer tended to heighten the President's indignation.⁶⁶ It was M. Clemenceau who, sensing a misunderstanding, kindly interposed that "ultimatum" was not the right term for what Mr. Hughes intended.⁶⁷ Mr. Hughes himself went on to say that if the Australian Government was prepared to go further he would offer no objection; but, speaking for himself, he could not go beyond that compromise.

These shots, though screened by much of the usual blank cartridge of diplomatic converse, were sufficiently evident to justify their description by Colonel House as "a first-class row," and the meeting closed with the President and his Australian opponent still both recalcitrant. Mr. Hughes advised the Australian Government only to accept on condition that it was assured in writing that it would be appointed as mandatory and that the terms would be as suggested. Mr. Hughes next day said in the columns of the *Matin* that he would still fight for direct possession of the Pacific islands.

There is no question of . . . conquests or Imperialism or aggrandisement. The question is whether your territory is secure, as solid as the roof sheltering you.

Nevertheless everyone concerned knew that the crisis was passed. While the storm was raging in the council chamber, Colonel House and Lord Robert Cecil were quietly agreeing upon the covenant of which the mandate resolutions (now

⁶⁶ This incident has been described by several writers, some of whom evidently heard it from onlookers who, like the President, received the impression that Hughes was aggressively defiant. Major-General J. E. B. Seely writes (in *Fear and be Slain, Adventures by Land, Sea, and Air*, pp. 247-8): "Matters came to a climax one morning when Mr. Hughes appeared with the proposal that the Australian Mandate for outlying and adjacent islands should be extended. To everybody's surprise President Wilson opposed the suggestion with extreme vigour. Clemenceau said, acidly, that he could not see any reason for excitement. He believed these aborigines could settle their own affairs. Lloyd George while giving general support to Mr. Hughes, suggested a compromise. President Wilson would have none of it, and burst forth as one speaking *ex cathedra* 'Mr. Prime Minister of Australia, do I understand your attitude aright? If I do, it is this, that the opinion of the whole civilised world is to be set at naught. This Conference, fraught with such infinite consequence to mankind for good or evil, is to break up with results which may well be disastrous to the future happiness or unhappiness of eighteen hundred millions of the human race, in order to satisfy the whim of five million people in the remote Southern continent whom you claim to represent.' Mr. Hughes, who was almost stone deaf, had moved his speaking and hearing apparatus quite close to the President and listened intently to every word. He then replied: 'Very well put, Mr. President, you have guessed it. That's just so.' The words were said with such detached serenity that the Conference burst out laughing, all except President Wilson, who was desperately offended. The strange thing is that in the end Hughes got his way." Mr. Winston Churchill (in *The World Crisis, the Aftermath*, p. 152) gives a somewhat similar version. Both narratives are inaccurate in detail. Actually, any "score" that Mr. Hughes made off the President in this passage appears to have been wholly unintentional.

⁶⁷ M. Clemenceau's intervention is not mentioned in the official record

including that providing for the "C" mandates) became Article XXII.⁵⁸ Mr. Hughes confessed that he was not satisfied with the settlement. Speaking to the Australian Corps in Belgium shortly after it had been determined, he said that

with regard to German New Guinea and the other neighbouring islands . . . he had fought with all his might that they should be given outright to Australia. But he had fought against overwhelming opposition, and he had been defeated. The Peace Conference had decided upon the mandatory system. He would have had no objection to the islands being given to Great Britain, but if there was to be a mandate, that mandate must be held by Australia. . . . It had been proposed that an open-door policy should be maintained in regard to those islands. He could not agree to that. There could be no open door in regard to the islands near Australia. There should be a barred and closed door—with Australia as the guardian of the door.⁵⁹

The Australian Government telegraphed that it shared Mr. Hughes's "bitter disappointment." It added that he was the best judge as to whether the compromise was inevitable but hoped he would press for reconsideration. Control of immigration was vital. The Government appreciated the "splendid fight" that he was putting up and trusted to him not to endanger Australia's fundamental interests by antagonising Great Britain or America. It is clear that on second thoughts Mr. Hughes recognised that the securing of the terms arranged was a result more satisfactory than at first he had estimated; for on January 31st he informed the Australian Government that the mandate, if obtained, would "give us all the power we want and all the safety too." Indeed, he added, in some respects it would be better than outright control, since no other power would be allowed to fortify mandated islands—a circumstance which he and Sir Joseph Cook considered to be of great importance

⁵⁸ This is given in *Appendix No. 9*. It will be seen that several changes were made in the wording of the clauses relating to mandates. The addition permitting natives to be trained for the defence of the territory was proposed on January 30th by Sir Robert Borden in order to avoid an ambiguity, but it incidentally met the desire of the French to raise volunteers in the countries under French administration—a right, which M. Pichon said, they could not renounce. The provision concerning freedom of religious opinion was subsequently added at the request of President Wilson who asked Mr. Hughes whether he agreed that the natives should be allowed free access to missionaries of any denomination—a point on which the American people laid much stress. "By all means Mr. President," was the reply. "I understand these poor people sometimes go for months together without half enough to eat." Everyone laughed except the President.

⁵⁹ *The Times*, 28 Feb., 1919.

Public opinion in Australia was not clearly expressed while the question was under discussion in Paris. The principal newspapers were not encouraging either as to Australia obtaining sovereignty over the islands, which entailed responsibility and expense, or as to accepting a mandate from the League of Nations. The *Melbourne Age* thought that the British Empire rather than Australia should be the mandatory, and that it would be a calamity if the islands were handed over to Australia as a gift. The *Argus* considered that a mistake had been made in deciding upon the mandatory system before the League of Nations was constituted. The *Sydney Morning Herald* held that, now that the mandate system was accepted, Mr. Hughes's influence ought to be exerted to provide the League of Nations with the power to make the mandates safe. It is not, however, clear from the newspapers of the period that the people of the Commonwealth held any strong views on the method by which control should be exercised; that the acting Prime Minister, Mr. Watt, did, was made manifest at the time, and even more emphatically later.

The mandate method having been adopted, Mr. Hughes, with the warm support of his Government, still pressed that the Supreme Council of the Peace Conference should itself declare that the mandate was entrusted to Australia, instead of having to wait till the League of Nations was constituted. He therefore approached President Wilson through Colonel House in a long memorandum, urging that "whilst there is no reason for postponing the settlement, there are overwhelming reasons for not doing so." The Australian delegation should, he maintained, be in a position to tell their people, and their people should be in a position to know, exactly what the Peace meant to them. In some instances, the assignment of a mandate would not be vital to the country accepting it, but the assignment to Australia of a mandate for the Pacific Islands and New Guinea was of vital concern from the point of view of security.⁶⁰

⁶⁰ The memorandum, with the covering letter to Colonel House, are printed in *Vol. IX, p. 289, of My Diary at the Conference of Paris*, by David Hunter Miller, one of the United States officials at the Peace Conference. This enormous work, in 21 large volumes, contains a great quantity of documentary material, not accessible elsewhere. Only 40 copies were printed, for private circulation. The author was enabled to consult, by the courtesy of the Council on Foreign Relations, New York, the copy in its library in East 65th Street.

Actually the German territories were surrendered under the treaty, not to the League of Nations but to the Allied and Associated⁶¹ Powers, and it was therefore the Supreme Council and not the League which first chose the mandatories, on the 7th of May, 1919. The Covenant had already been passed by a vote of the plenary session of April 28th, but the "C" mandates were not actually issued by the League until the 17th of December, 1920. The mandate for New Guinea and the adjacent islands had been allotted to Australia, that for Samoa to New Zealand, and that for the North Pacific islands formerly in German possession to Japan.⁶²

VIII

The Japanese and Australian delegates, who in the first stages of the conference had striven for the same policy—annexation—were later divided by an important rift. This was due to a strong effort by the Japanese to have embodied in the Covenant of the League of Nations a clause which, in the opinion of Mr. Hughes, would have endangered the White Australia policy. The battle was fought out in the commission to which had been entrusted the task of finally shaping the Covenant.

President Wilson himself was chairman of this commission. On February 13th the Japanese statesman, Baron Makino, moved the insertion of the following words in the Article—No. 21 of the draft—dealing with religious toleration:

The equality of nations being a basic principle of the League of Nations, the High Contracting Powers agree to accord, as soon as possible, to all alien nationals of States members of the League, equal and just treatment in every respect, making no distinction either in law or in fact on account of their race or nationality.

Baron Makino stated that his object was to eliminate a fruitful cause of racial animosity by preventing race discrimination. But it was immediately pointed out that the proposed amendment went much further than the prevention of discrimination. It would prevent any state from regulating the inflow of immigration in accordance with the wishes, ideals, and economic interests of its people. It would throw Australia

⁶¹ This form had been adopted because the United States were not formally "Allied."

⁶² For the text of the New Guinea mandate see *Appendix No 10*.

open to indiscriminate immigration, and would thereby revive a vexed question which in former years had occasioned serious disturbances.

The Japanese representatives, with much diplomatic aplomb, had, before bringing the amendment before the commission, interviewed the representatives of other nations, endeavouring to enlist support and remove objections.⁶³ To the foreign representatives whom they approached, the question seemed a very simple one, with no "catch" in it. "Equal and just treatment in every respect," "no distinction either in law or in fact"—why not? And, if there had been no ulterior intent behind those generous phrases, there could have been no reasonable objection to them. But the British delegations read them in their full implication. It was clear to them that the amendment affected, and was definitely intended to affect, the immigration policies of Australia, Canada, and South Africa, and that it also clashed with the policy of the United States. The head of the Japanese delegation approached Mr. Hughes, who said that Australia would have no objection to a declaration of racial equality, "provided that it stated in clear and unambiguous terms that this did not confer any right to enter Australia—or any other country—except as and to the extent that its Government might determine." The Japanese statesman replied that they sought "no more than a recognition of a technical right of free entrance, and that there was no intention to act upon it."⁶⁴ The answer was too plain to need emphasis: if the Covenant of the League of Nations contained the words proposed by Baron Makino, any subject of a nation which was a member of the League would have the right to demand the privileges conferred, and his government would be bound to support his claim.

Lord Robert Cecil pointed out that the amendment involved controversial matters of great difficulty and importance affecting problems within the British Empire, and suggested the postponement of the "religious equality" article, which entailed the postponement of Baron Makino's amendment.

⁶³ Latham, *The Significance of the Peace Conference*, p. 8

⁶⁴ Hughes, *The Splendid Adventure*, p. 359.

As the commission determined to omit article 21, the question was dropped for the time being.⁶⁵

Early in April the issue was raised again, when Baron Makino and Viscount Chinda called on Mr. Hughes, and asked him whether he would agree to the insertion in the Covenant of an article in the following form: "The equality of nations being a basic principle of the League of Nations, the High Contracting Parties agree to endorse the principle of equal and just treatment to be accorded to all aliens, nationals of States members of the League." They explained that they had raised the issue again in consequence of pressure from Japan, and showed him a telegram from Tokyo, dated March 16th. It read:

The executive committee of the League for the abolition of racial discrimination assembled at the Japanese House of Representatives on March 14th. Some of the Members maintained that, if it were to become apparent that the object of the League would be unattainable, they would form another League with a view to impeaching the Government, and, by arousing public opinion, would try to overthrow the Cabinet. They also insisted that, in such eventuality, Japan should secede from the League of Nations. They adjourned with a decision that a general meeting would be held on the 23rd March.

Baron Makino added that President Wilson, Lord Robert Cecil, General Smuts, Mr. Lloyd George, Sir Robert Borden and others approved of the proposed article.

Mr. Hughes informed the two Japanese statesmen that he could not agree to the new formula; which, indeed, meant the same thing, and left the same loop-hole, as did the previous one, inasmuch as it conferred a right to "equal treatment" to all nationals of States which were members of the League.⁶⁶

⁶⁵ Colonel House, the confidential friend of President Wilson, makes the statement (*The Intimate Papers of Colonel House, Vol. IV, p. 325*, under date 13 Feb., 1919): "Makino agreed upon a form the other day which the President accepted and which was as mild and inoffensive as possible, but even that the British refused. I understand that all the British Delegation were willing to accept the form the President, Makino and Chinda agreed on, excepting Hughes of Australia. He has been the stumbling-block."

⁶⁶ Colonel House noted in his diary (*The Intimate Papers, Vol. IV, p. 429*) on March 27: "A great many visitors this afternoon, among them Viscount Chinda and Baron Makino. They are having no end of trouble with Hughes of Australia. He will not consent to anything in the way of satisfying Japan's desires. He threatens if anything is passed by our Committee, he will bring it up at the Plenary Conference." Mr. Hughes's own account of the incident, given later to the House of Representatives, was as follows: "Baron Makino said that the Japanese were a proud people, and had fought by our side in this war. They regarded it as intolerable that they should not be treated as the equals of us and other races. . . . I hoped—and I hope so still—that they would always remain our friends and Allies. . . . 'But,' I added, 'the history of your people has its roots in far different soil. . . . Your ideals, your institutions, your standards, are not ours. We do not say that ours are greater or better than yours; we only say they are different.'" (*Commonwealth Parliamentary Debates, LXXXIX, p. 12175*.)

On April 10th General Smuts informed Mr. Hughes, through Sir Robert Garran, that the Japanese intended to bring forward another formula, namely, to insert in the preamble to the Covenant of the League of Nations the words: "by the indorsement of the principle of equality of all nationals of States members of the League." This proposed amendment, if adopted, would have made the preamble read as follows:

In order to promote international co-operation and to achieve international peace and security by the acceptance of obligations not to resort to war, by the prescription of open, just, and honourable relations between nations, *by the indorsement of the principle of equality of all nationals of States members of the League*, by the firm establishment of the understandings of international laws as the actual rule of conduct among Governments, and by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another.

In the three formulae which the Japanese delegation had produced, the same essential words appeared; it was not merely a formal declaration of equality of status that was desired, but a specific recognition of a right to be possessed by "the nationals," *i.e.*, the subjects, of any State which was a member of the League. The wrapping was slightly different in each case, but the material thing within the package was unchanged.

General Smuts said that he appreciated Mr. Hughes's objections, but thought it desirable that some formula should be arrived at which would satisfy Japan while not committing Australia to anything definite. He made the suggestion to substitute, in the Japanese proposal, the words "equitable treatment" for "equal and just treatment". He also mentioned a suggestion by Lord Robert Cecil that a clause should be framed expressly limited to discrimination between nationals of foreign states actually resident in the State—thus excluding any interpretation which would apply to immigration.

On April 11th Baron Makino had an interview with General Smuts and Mr. Hughes. Mr. Hughes asked that immigration should be excluded by express words, but to this Baron Makino would not agree. His refusal made plain what had been inferred throughout, that his real intention was to

secure, not a statement that the western nations regarded the Japanese as fully their equals in culture and civilisation—to which most Australians, like most of the other peoples concerned, would heartily agree—but *a right to immigration*.

At a meeting of the League of Nations Commission on April 11th, Baron Makino brought forward yet another amendment to the preamble to the Covenant in the form of a proposal to add after "between nations" the words: "by the indorsement of the principle of the equality of nations and the just treatment of their nationals." In this form clever diplomatic vagueness veiled the intention without concealing it. Lord Robert Cecil, in the politest way, expressed his complete sympathy with the idea, but regretted that he could not vote for the amendment. The solution of the racial question, he thought, could not be attempted by the commission without encroaching on the sovereignty of the nations which were members of the League. The proposed words were either vague and ineffective, or they were very significant. In the latter case they were controversial, and interfered with the domestic affairs of nations. To this objection Viscount Chinda replied that the Japanese delegates had deliberately not broached the question of immigration. He only asked for recognition of the principle of equality and just treatment. Japanese public opinion, he insisted, was much concerned about the question.

That the Japanese diplomatists had done some persuasive work among the representatives of nations who were not directly concerned with the question was then made apparent. The Italian Signor Orlando and the Frenchman M. Bourgeois, both supported the amendment. The Greek M. Venizelos thought it would be difficult to reject the amendment, which, he observed, referred to the equality of nations, not of races. He was impressed by the Japanese assurance that the amendment did not involve any obligation as to immigration. The Czechoslovakian, Dr. Kramar, said that he could see no danger in the amendment. The Pole, M. Dmowsky, sympathised with the Japanese desire, but doubted whether there was any advantage in inserting a general declaration in the preamble without any provisions for enforcing it in the

body of the covenant. The Chinese, Mr. Koo, said he would be glad to see the principle of equality recognised in the covenant.

Then President Wilson intervened. He said that no one wished to deny the principle of the equality of nations, or the principle of the just treatment of the nationals of any country. The League was obviously based on the principle of the equality of nations. He thought that, in order to avoid controversy outside the commission, it would be unwise to press the amendment. The Japanese, however, had counted heads, and, being certain of the result, Baron Makino insisted upon a vote. The result was that 11 votes were recorded for the amendment and 6 against it. Thereupon President Wilson took the responsibility of ruling that, inasmuch as the amendment had not been agreed to unanimously, it had not been carried, because any amendment of the draft of the covenant then before the commission could only be made by a unanimous vote. Mr. Hughes, who had been privately endeavouring to force Wilson's hand by appealing to the representatives of the American press—particularly those from the Western States—recorded that "President Wilson's ruling amazed and angered the Committee appointed to draft the Covenant;"⁶⁷ and Mr. Latham, who was also present, commented:⁶⁸

This was, however, a bold step to take. Our view . . . had gained but little support. I cannot say what efforts were made to enlist support for it, or to prevent the question being raised, but whatever was done had proved to be ineffectual. The vote of the Commission may be taken as an indication of the probable vote at a full meeting of the Conference. It was fortunate for Australia that President Wilson adopted a procedure, remarkable as it may appear, which resulted in the Japanese amendment not being included in the Covenant as submitted to the Peace Conference.

Colonel House wrote:⁶⁹

The President was for accepting it, but Cecil, under instructions from his Government could not; and since I knew that Hughes would fight it and make an inflammatory speech in the Plenary Session, I urged the President to stay with the British, which he did.⁷⁰

⁶⁷ Hughes, *The Splendid Adventure*, p. 359.

⁶⁸ Latham, *The Significance of the Peace Conference*, p. 9.

⁶⁹ *The Intimate Papers of Colonel House*, Vol. IV, p. 444.

⁷⁰ House also noted on March 29 (*Ibid.*, p. 430): "Hughes insists that nothing shall go in, no matter how mild and inoffensive. If anything is attempted, his purpose is to make a speech at the Plenary Conference and to raise a storm of protest not only in the Dominions but in the western part of the United States. I suggested to Smuts that we talk it out with Makino, who is one of the committee

When the French delegates called Wilson's attention to the fact that a majority had voted in favour of the Japanese amendment, the President replied that

decisions of the Commission were not valid unless unanimous. . . . There was only one case where a decision of the majority had prevailed, and that was in the case of determining the Seat of the League. In that case it had been necessary to accept the opinion of the majority inasmuch as no other procedure was possible if the question was to be decided at all

President Wilson's decision, which turned much of the Japanese resentment upon him, settled the main issue, but repercussions continued. On April 25th, when the question under debate by the Council of Three was the request of Japan for the mandate of Shantung, Mr. Balfour, according to the minutes, said that :

Baron Makino had come again to see him on Sunday evening. With great delicacy, but perfect clearness, he had indicated that Japan . . . was asked to agree to the League of Nations although she could not obtain recognition of her claims for equality of treatment. He had said that public opinion in Japan was much concerned on this question, that if Japan was to receive one check as regards Shantung and another check as regards the League of Nations the position would be very serious. . . . He⁷¹ understood that if Japan received what she wanted in regard to Shantung, her representatives at the plenary meeting would content themselves with a survey of the inequality of races and move some abstract resolution which would probably be rejected. Japan would then merely make a protest. If, however, she regarded herself as ill-treated over Shantung, he was unable to say what line the Japanese delegates might take.

To ensure Japan's adherence to the League of Nations, President Wilson agreed to her receiving the German rights in Shantung;⁷² and at the plenary session of the Peace Conference on April 28th, when the Covenant of the League was submitted and adopted, Baron Makino made the protest foreshadowed. He said frankly that his modified amendment had been in the nature of a compromise, and, as it had not been accepted, he felt constrained to revert to the original

who came this morning to select a site for the League of Nations. . . . I told Makino frankly that while we would agree to the pallid formula they desired, yet unless Hughes promised not to make trouble we would be against putting it in. Smuts took the same position. I urged Makino to let the matter drop for the moment. I took this occasion to call his attention to the virulent abuse of the United States in which the Japanese Press were now indulging. The reason for this, he told me, was that they thought we were objecting to the clause in the Covenant which they, the Japanese delegates, had proposed. He promised to let their people know just where the trouble lay.

There was nevertheless some justice in Mr. Hughes's plea that the American delegates endeavoured to run with both sides in this matter. In the crucial division in the League of Nations Commission they refrained from voting.

⁷¹ Presumably Mr. Balfour.

⁷² See *The American Journal of International Law*, July, 1933, pp 435-6.

Japanese proposal, though he would not press for its adoption at present. "I feel it my duty to declare on this occasion," he said, "that the Japanese Government and people feel poignant regret at the failure of the Commission to approve of their just demand for laying down a principle aiming at the adjustment of this long-standing grievance, a demand that is based upon a deep-rooted national conviction. They will continue in their insistence for the adoption of this principle by the League in future."

Later, when the mandates affecting the Pacific islands were issued by the League of Nations (17th December, 1920), Japan officially deposited at the office of the League the following declaration:

From the fundamental spirit of the League of Nations and as the question of interpretation of the Covenant, His Imperial Japanese Majesty's Government have a firm conviction in the justice of the claim they have hitherto made for the inclusion of a clause concerning the assurance of equal opportunities for trade and commerce in "C" mandates. But from the spirit of conciliation and co-operation, and their reluctance to see the question unsettled any longer, they have decided to agree to the issue of the mandate in its present form. That decision, however, should not be considered as an acquiescence on the part of His Imperial Japanese Majesty's Government in the submission of Japanese subjects to a discriminatory and disadvantageous treatment in the mandated territories; nor have they thereby discarded their claim that the rights and interests enjoyed by Japanese subjects in these territories in the past should be fully respected.

Mr. David Hunter Miller records⁷³ that, while the controversy on the question raised by the Japanese was proceeding, Colonel House showed a pencilled memorandum to Mr. Balfour, commencing with the proposition taken from the Declaration of Independence, "that all men are created equal". "Balfour said that this was an 18th century proposition which he did not believe was true. He believed that it was true in a certain sense that all men of a particular nation were created equal, but not that a man in Central Africa was created equal to a European. Colonel House said he did not see how the policy towards the Japanese could be continued. The world said they could not go to Africa, they could not go to any white country, they could not go to China, and they could not go to Siberia; and yet they were a growing nation, having a country where all the land was tilled. But they had to go

⁷³ In *My Diary at the Conference of Paris*, Vol. I, p. 116.

somewhere. Balfour said that he had a great deal of sympathy with this view."

On the Australian side in this controversy the sole aim was to refuse to give a right of immigration to any foreign nationals whose influx would endanger the possession of Australia by people of British or cognate race. There was no opposition to a plain statement of equality which would merely set forth an obvious truth—indeed it was the high qualities of the Japanese that made them formidable—*provided that it was quite clear that it would not be used as a lever to open Australia to immigration.* Australians were convinced that such an opening would mean the end of their nation; and they took the steps, which the Japanese would have taken in similar conditions, to avert this.

IX

Concerning mandates, a question which evoked much strong feeling, and nearly developed into a quarrel, arose within the British Empire circle as to the mandate for a small island in the Pacific. Nauru, or Pleasant Island, is a small speck of rock—a mere pin-point on an ordinary atlas map—situated in longitude 166 E., twenty-six miles south of the equator. As a German possession it was administered with the Marshalls, though it lies some hundreds of miles from that group. The one important feature of Nauru was that it consisted of an immense deposit of rock phosphate, which, when treated with sulphuric acid, produced high-grade superphosphate, a fertiliser in great demand throughout the world, but especially in Australia. A German estimate made in 1917 showed that, of the 2,271 hectares forming the total extent of the island, 1,806 hectares contained phosphate deposits to the calculated quantity of 300,000,000 tons.⁷⁴

The Nauru question was complicated by the facts that certain influences in Australia desired that the Commonwealth should obtain the sole mandate; that the British Government desired to protect the interests of a powerful British company which had been working the phosphate deposits while the island was under German government; and that New Zealand,

⁷⁴ Inter-State Commission's *Report on British and Australian Trade in the South Pacific* (Commonwealth Parliamentary Papers, 1917-19, Vol. V. p. 521).

when her interest was awakened, desired a share in the control inasmuch as her agriculturists also obtained their supplies of fertiliser from Nauru. The British company—the Pacific Phosphate Company Limited, of which Lord Balfour of Burleigh⁷⁵ was chairman—had acquired its interests before the war. It had previously been working phosphate deposits in Ocean Island, which was British; but the German Jaluit Gesellschaft—which held a trading concession from the German Government—being less well equipped for this enterprise than the British company was, had entered into negotiations by which, with the consent of the German Government, the Pacific Phosphate Company undertook the sole business of developing Nauru's phosphate resources. Two German representatives were elected to the board of directors, but the capital and management were entirely British. Inasmuch as Nauru possessed no other industry than this, "the practical ownership was British."⁷⁶

Upon the outbreak of the war, the German administration at the Marshalls (September, 1914) expelled the British members of the company's staff from Nauru, sending them on board one of the company's steamers to Ocean Island. But the tables were turned in November when a detachment of the Commonwealth's military forces, by this time established in Rabaul, steamed over to Nauru, and hoisted the British flag. The British employees were thereupon brought back from Ocean Island, and the Germans, twenty-three in all, were sent to Australia to be interned.

Inasmuch as an Australian garrison remained in Nauru till the end of the war, if the general rule had been applied, that mandates should be issued by the League of Nations to the dominions whose troops had taken possession of the various German colonies, then a mandate for Nauru would have been granted to Australia. But Great Britain pointed out that, though the island had been German as a political possession, it was in actual fact in occupation of the British Pacific Phosphate Company. The rights of New Zealand also were cited.

⁷⁵ Rt. Hon. Lord Balfour of Burleigh, K.T., G.C.M.G., G.C.V.O. Of Kennet, Alloa, Scotland, b. Kennet, 13 Jan., 1849. Died 6 July, 1921.

⁷⁶ Inter-State Commission's *Report* (*Parl Papers, 1917-19, Vol V, p. 520.*)

Mr. Hughes was pressed by the Acting Prime Minister of the Commonwealth to make a special effort to secure the absolute control of Nauru by Australia.⁷⁷ On the 1st of May, 1919, Mr. Watt cabled for definite information. In the course of a very long message concerning the destination of the German colonies, he said:

British authorities are apparently treating it (Nauru) as if it were to pass to British Commissioner for Pacific. Your colleagues hope you will vigorously resist such proposal. Our troops took it, and have garrisoned it for over four years. . . . If cost of war is not to be included in reparation bill, Australia's hope of getting anything substantial in relief of its crushing war debt is slender. Nauru is the one island whose receipts exceed its expenditure. Its phosphate deposit marks it of considerable value, not only as a purely commercial proposition, but because the future productivity of our continent absolutely depends on such a fertiliser.

Mr. Hughes, who before these messages reached him was trying to secure Nauru, fought out the question both with the British ministers concerned, and with Lord Balfour of Burleigh, to whom they referred him. From first to last he was convinced that the claim of the company for compensation for rights of exploitation obtained from a government which had ceased to exist, was, to say the least, exaggerated; but he was forced to the conclusion that there was no possibility of "Australia getting anything substantial" in face of the opposition of the company, unless he proceeded to extremes. He cabled to Australia on May 7th, informing the Cabinet that he could not get a mandate for Nauru, and that apparently there was to be a British partnership for the control of the island. If the Cabinet considered that such a decision was inadvisable, he said: "I will not sign the Treaty and will not accept mandate for other islands; do you agree?" Mr. Watt's reply to that abrupt challenge was (May 9th):

I think it would be improper not to sign treaty because our reasonable aspirations regarding Nauru have been frustrated. If Australia says she will not accept mandate for islands because Nauru not

⁷⁷ In 1914 an effort to impress on the Government the value of Nauru to Australia was made by Mr. A. E. Stephen (of Sydney), who had business associations there, and Dr. J. F. Elliott (of Sydney), whose firm was a large buyer of phosphates. Their representations were made to Mr. W. H. Kelly, who passed them on to Senator Millen, but they had no effect. The Australian naval authorities did not want to garrison the island. The Pacific Phosphate Company, however, wished to go on working, and pressed both the British and Australian Governments for leave. The British Government insisted that the island must first be occupied, and Australia arranged to send a garrison. The British Government sent an administrator from Fiji. In political matters he was under the British Government, in military under the Australian. The British Government charged the company with the costs of administration.

included, the natural reply will be we are grabbing at valuable asset. I suggest that you put up best fight you can, and, if defeated, sign, relying on subsequent negotiations and representations to compel Britain to accede to our view or make suitable equivalent arrangements of financial kind.

To this Mr. Hughes replied (June 4th):

In face of your telegram, I could, of course, not follow the only course that would have given us full control of Nauru and its phosphates. I am quite sure I should have succeeded had Cabinet supported me. As it did not, I have been perforce compelled to make best of a bad job.

At a later date Mr. Watt strongly blamed Mr. Hughes for his management of the Nauru incident, and resented the imputation that Australia failed to secure a mandate for the island because of lack of support from the Government. He said that Mr. Hughes was "in the full sense a plenipotentiary, subject to no interference or control in that capacity." The mutual recriminations, however, ignored the facts that control of Nauru could not have been obtained without giving offence to New Zealand, where there were emphatic protests against the Australian claim, and that the profits which it was assumed could have been derived by the Australian Government from phosphates were not available without the creation of extreme tension or unless the rights of the Pacific Phosphate Company were purchased—which was finally done at colossal cost by the governments that received the mandate.⁷⁸

The Nauru question was eventually settled by the League of Nations conferring a mandate "upon His Britannic Majesty" to administer the island; but the mandate did not specify that the King's Government in Great Britain should be responsible for it. The way was left open for the agreement afterwards made between "His Majesty's Government in London, His Majesty's Government of the Commonwealth of Australia, and His Majesty's Government of the Dominion of New Zealand," for their joint administration. The three governments arranged that during the first five years the administrator should be appointed by Australia. The phosphate deposits purchased from the company⁷⁹ were to be

⁷⁸ The cablegrams quoted were read in the House of Representatives; *Parliamentary Debates*, Vol. XCIV, pp. 5799-5802.

⁷⁹ The sum paid for the deposits at Nauru and Ocean Island (a British possession) was £3,500,000. Of this amount, Great Britain and Australia each paid 42 per cent. and New Zealand 16 per cent.

administered through a board of three commissioners, appointed by the three governments. This agreement was confirmed by acts passed by the British, Australian, and New Zealand Parliaments.⁸⁰

X

One of the most important commissions set up in January, 1919, by decision of the Council of Ten was that which examined and eventually reported on the amount which the enemy countries ought to pay by way of reparation, what they were capable of paying, and by what method, in what form, and within what time payment ought to be made. M. Klotz, the finance minister of France, was appointed president of the commission, and Mr. Hughes was one of two vice-presidents and, according to Temperley, its "leading spirit." It commenced its work on February 3rd.

But this was not Mr. Hughes's first concern with enquiry into the vexed and protracted post-war question of reparations and indemnities. In 1918 he was chosen by the British Government to be chairman of a committee formed to investigate the matter of Germany's capacity to pay, and the extent of the damage done by the German armies in Belgium and France. His work with this committee caused him to form some very strong opinions, which later affected his work on the Reparations Commission. Mr. Lloyd George recorded that he caused the English committee to be appointed not merely to provide the Government with some guidance as to the demands which could reasonably be made at the Peace Conference, but also "with a view of obtaining an authoritative report that would damp down the too fierce ardour of an expectant public."⁸¹ Some public men and newspapers had spoken and written wildly about extracting the last farthing of the cost of the war from Germany. Mr. Lloyd George was afterwards accused of pandering to this feeling, but in his published book he vigorously denied the imputation, and cited Mr. Hughes's committee as proof of his own moderate views. The members, in addition to the chairman, were Mr.

⁸⁰ Quincy Wright, *Mandates Under the League of Nations*, p. 421. For the text of the Nauru mandate see *Appendix No. 11*. The Australian Act is the Nauru Island Agreement Act, 1919.

⁸¹ Lloyd George, *The Truth about Reparations and War Debts*, p. 11.

Walter Long, a member of the British Government; Sir George Foster, the Canadian Finance Minister; Mr. W. A. S. Hewins,⁸² an eminent economist; Lord Cunliffe,⁸³ the Governor of the Bank of England; and the Hon. Herbert Gibbs,⁸⁴ a member of an eminent firm in the City of London. "It will be seen," wrote Mr. Lloyd George, "that this Committee was very far from being dominated by the fire-eating type of politician." In its report the committee recommended that the Central Powers should be required to make an annual reparation payment of £1,200,000,000, which figure, it was calculated, represented interest charges on the whole direct cost of the war to the Allies. The total cost, it was estimated, was £24,000,000,000; "and," it was reported, "the committee have certainly no reason to suppose that the enemy Powers could not provide £1,200,000,000 per annum as interest when normal conditions are restored."⁸⁵ Post-war history makes an ironical comment on the phrase "when normal conditions are restored."

Mr. Lloyd George, while quoting the findings of the committee, adds: "To the credit of the British Treasury, I must state that in their view, expressed at that moment of triumphant exaltation, £2,000,000,000 was the full measure of the repayments we could possibly expect Germany to make."⁸⁶

It does not appear, however, that Mr. Lloyd George at the time paid more attention to the Treasury estimate than to that of Mr. Hughes's committee; and a work of high authority comments:

In England, instead of attempting to moderate the public demand, the Government took advantage of popular feeling for the immediate purpose of the elections of December, 1918, and Mr. Lloyd George was returned to power largely on the cry of "Make Germany pay for the

⁸² Professor W. A. S. Hewins First Director of London School of Economics (1895/1903); Secretary, Tariff Commission, 1903/17; Under-Secretary of State for Colonies, 1918/19 B. Wednesfield Heath, near Wolverhampton, 11 May, 1865. Died 17 Nov., 1931.

⁸³ Lord Cunliffe, GBE Director of Bank of England, 1895, Deputy Governor, 1911, Governor, 1913/18 B London, 4 Dec., 1855. Died 6 Jan., 1920.

⁸⁴ Lord Hunsdon Of Briggens, Ware, Herts., and London, b. 14 May, 1854 Died 22 May, 1935.

⁸⁵ Lloyd George, p. 12

⁸⁶ *Ibid*, p. 13 Mr. J. M. Keynes, in his *Economic Consequences of the Peace*, p. 186, estimated that £2,000,000,000 was a "safe maximum figure of Germany's capacity to pay" and was thereupon denounced by M. Tardieu as a "pro German scribe from Cambridge," whose estimate "oversteps the limits of permissible tomfoolery."

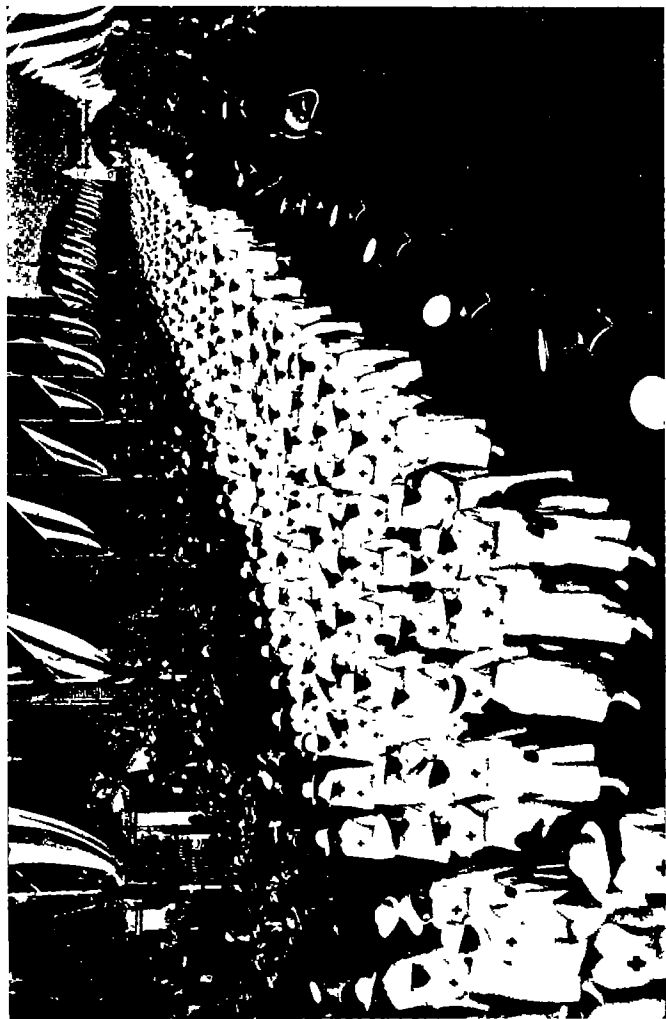


58 THE SIGNING OF THE PEACE TREATY IN THE HALL OF MIRRORS,
VERSAILLES, 28TH JUNE, 1919

Front Dr. Johannes Bell (Germany) signing, with Herr Hermann Muller leaning over him. *Middle row (left to right)* General Tasker H. Bliss, Colonel E. M. House, Mr Henry White, Mr Robert Lansing, President Woodrow Wilson (United States), M. Georges Clemenceau (France), Rt. Hon. D. Lloyd George, Rt. Hon. A. Bonar Law, Rt. Hon. A. J. Balfour, Lord Milner, Rt. Hon. G. N. Barnes (Great Britain); the Marquis Saionji (Japan). *Back row* M. Eleutherios Venizelos (Greece), Dr. A. Costa (Portugal), Lord Riddell (British press); Rt. Hon. Sir George Foster (Canada); M. Nikola Pachitch (Serbia); M. Stephen Pichon (France), Lieut.-Colonel Sir Maurice Hankey, Rt. Hon. E. S. Montagu (Great Britain); the Maharajah of Bikaner (India); Signor V. E. Orlando (Italy); M. Paul Hymans (Belgium); General Rt. Hon. Louis Botha (South Africa), Rt. Hon. W. M. Hughes

*From a painting by Sir William Orpen, R.A.
Reproduced by permission of the Imperial War Museum
Aust. War Memorial Collection No. H15870*

To face p. 802



59 THE PEACE CELEBRATIONS IN SYDNEY, JULY 1919

V.A.D.'s marching along Macquarie-street

Photo by "The Sydney Mail"

To face p 803

war!" It is true that Mr. Lloyd George was cautious enough in most of his public speeches to qualify this by explaining that Germany would be made to pay up to the limit of her capacity. His followers, however, were not, and there was no doubt in the public mind that the Government was pledged to the recovery of the whole war costs.⁸⁷

The general attitude of Mr. Hughes towards the Germans left no room for doubt as to what his views in this matter would be; indeed, they closely resembled those of the French delegates. He throughout laid stress on the point that, whatever indemnity was demanded, it should be based not only upon an estimate of the actual damage done by the German armies, but should also include compensation for the immense expenditure which the victorious Allies were compelled to incur. He recognised a distinction between "indemnity" and "reparation," but insisted that the former should, with justice, be demanded as well as the latter. At the Imperial War Cabinet he strongly protested against the interpretation of the principle that "compensation will be paid by Germany for all damage done to the civilian population of the Allies and their property by the aggression of Germany, by land, by sea, and from the air," as a limitation of the demands which might legitimately be made. The suggestion made in a famous book, that "his indignation may have been partly due to the fact that Australia, not having been ravaged, would have no claims at all under the more limited interpretation of our rights,"⁸⁸ is correct, and the point of view of the Australian Prime Minister was by no means invalid.

The same point is stressed by Mr. Temperley in his *History of the Peace Conference of Paris*:

United on the score of mandates and immigration, the Dominions were sharply divided on the issue of reparations. Differences of material conditions accounted no less than theoretical considerations for the strong divergence of opinion between Mr Hughes and General Smuts. Australia had suffered severely in the war through the dislocation of her trade and shipping; her generous terms to her soldiers made warfare especially costly, and, unlike Canada, her distance from the scene of operations precluded her drawing large revenues from the manufacture of munitions. South Africa, on the other hand, had spent comparatively little on the war; her trade had been less severely hampered; and, while Australia was only to obtain a number of not very valuable island possessions, South Africa was assured of the

⁸⁷ Temperley (editor), *History of the Peace Conference of Paris*, Vol. II, p. 57.

⁸⁸ Keynes, *The Economic Consequences of the Peace*, p. 127.

important addition of South-West Africa. It is not, then, surprising that Mr. Hughes demanded that the whole of Australia's war costs, estimated at £364,000,000, should be refunded, as well as £100,000,000 representing the capitalised value of pensions, repatriation, loss to civilians and civilians' property, &c., and urged that, as a practical measure to this end, power should be given forthwith to appropriate in reparation all German private property in the mandated territories.⁸⁰

As to the policy and attitude of Mr. Hughes at the Peace Conference ample evidence exists. Full shorthand notes were taken of the proceedings of the British Delegation, and these records show that he made his influence felt at nearly all its meetings in his customary emphatic manner. Apart from his treatment of questions especially affecting Australia, he insisted upon certain general principles. There was among his colleagues too much talk, for his liking, about doing justice to Germany. Justice must be done to our own people likewise. The Germans were entirely untrustworthy, and had shown it throughout. The Allies must be careful not to agree to any terms or concessions which would be calculated to produce estrangement from France. So far as concerned the general provisions of the treaty, ample reparations from the defeated Central Powers, and the maintenance of a good understanding between the British Empire and France, were the main pillars of his temple.

As vice-chairman of the Reparations Commission—where his British colleagues were Lord Sumner,⁸⁰ a leading jurist, and Lord Cunliffe—Mr. Hughes expressed the same view as he had formulated on Mr. Lloyd George's English committee. Perhaps the extreme statement of it was his contention that "every Australian who had placed a mortgage on his house to buy a war bond was as definitely entitled to reparation as was every Frenchman whose house had been burned by the Germans."⁸¹ From the strictly legal point of view he was supported by Lord Sumner, who maintained that by

⁸⁰ Temperley, *Vol. VI*, p. 353. The particulars here given as a "demand" of Mr. Hughes are those of the Australian claim for reparation, laid, as were the equally extensive claims of other allies, before a sub-committee of the Reparations Commission.

⁸⁰ Rt. Hon. Viscount Sumner, G.C.B. Judge of High Court of Justice, King's Bench Division, 1909/12; a Lord Justice of Appeal, 1912/13; a Lord of Appeal in Ordinary, 1913/30. Of Ibstone, Bucks.; b. 3 Feb., 1859. Died 24 May, 1934.

⁸¹ B. M. Baruch, *The Making of the Reparation and Economic Sections of the Treaty*, p. 6. Mr. Baruch was a representative of the United States on the Reparations Commission.

the soundest principles of international law the case submitted, for extracting from Germany an indemnity to cover indirect damage as well as reparation for direct injury, was sound. Lord Sumner embodied his view in a memorandum wherein he submitted that, for example, whatever rights Belgium possessed in international law by reason of her neutralisation were clearly shared by those Powers which had guaranteed her neutrality and had incurred fearful losses in enforcing it. Mr. Hughes urged his principles in several strong speeches in which, on behalf of the British Empire, he submitted, "We are entitled to reparation for the full costs of the war."

The Commission's inquiries were mainly carried out by two sub-committees, the first receiving the claims of the Allied countries in an attempt to assess the damage suffered, the second endeavouring to estimate Germany's capacity to pay. Although the reports of these sub-committees were forwarded to the Council of Four, the work of the Commission was inconclusive. From the first it was completely split on the question of the interpretation of President Wilson's Fourteen Points and of the note of the Allies (5 November, 1918) reserving their right to "compensation for all damage done to the civilian population of the Allies and their property by the aggression of Germany by land, by sea, and from the air." The American delegates throughout held that this condition limited the justifiable demands to one for repair of material damage; but all the other delegates took the view of Mr. Hughes. On February 19th a request was accordingly addressed to the Supreme War Council to decide on which basis the Commission should proceed. President Wilson had then temporarily returned to America, and the Council side-stepped the issue, asking the Reparations Commission to ascertain the damage upon both bases. Mr. Hughes writhed at these delays; in the early months after the Armistice the Allies could have enforced on the Germans any terms they wished—now they must find it more difficult.

In the end the Council of Four seized on a solution advocated in a memorandum by General Smuts, whose temperate attitude and wide grasp and sympathy had led President

Wilson to rely with confidence upon his advice. This well-reasoned paper,⁹² however, urged the conclusion that, in the damage caused to the civilian population of the Allies by Germany's aggression, there must be included the capitalised amount of the war pensions. This view being accepted, the way was opened for the enormous demands actually made on the score of reparation. Not that the Allied leaders expected full payment; but in the inflamed state of popular opinion (for which, in England, the recent election campaign was partly responsible) the leaders did not dare to demand less.

When the pieced-together draft of the treaty was perused, it became evident that each commission, by itself, had done its best to deal thoroughly with Germany, and the accumulated result came as rather a shock to some members of the British Delegation. It happened that the German reply to the peace terms came under discussion by the delegation at Mr. Lloyd George's house in the rue Nitôt on the 1st of June, 1919,⁹³ the day after the seventeenth anniversary of the signing of the Treaty of Vereeniging, which ended the South African War. This meeting of the delegation was possibly the most representative gathering of the leaders of the British Empire that had ever taken place. All the prime ministers had read the German reply, and Mr. Lloyd George opened the meeting by asking each one of them whether the British delegation should "stand pat" (as he put it) on the original terms of peace, or whether there should be some discussion. Discussion being agreed to, the prime ministers spoke in turn according to their views.

General Botha was sitting between General Smuts and Lord Milner, and when called upon he spoke, obviously with deep feeling, to the following effect.⁹⁴ "I am not very familiar with your language, and you will, I hope, excuse me if I do not speak very well, but I do feel that I know more about the difficult task of making peace than anybody else who is here. Seventeen years ago, almost to this very day,

⁹² Baruch prints at p. 29 the text of the Smuts memorandum, and at p. 298 the full text of Mr. Hughes's speech to the Reparations Commission.

⁹³ See plate at p. 771.

⁹⁴ Recorded, from memory, by Rt. Hon. Sir John Latham who happened on that day to be acting as secretary to the delegation. The incident is not mentioned in the official record.

Lord Milner, who was then my enemy, but who"—and Botha here placed his hand on Milner's arm—"I am now proud to say is my friend, made the peace of Vereeniging. I was then a conquered enemy, and I know what it means to make peace when you have been beaten.⁸⁵ In those days, and afterwards, Great Britain treated us not only with justice, but with generosity. She carried out her promises, and my friend, General Smuts, and myself are proud to be here to-day wearing the uniform of British generals. It was the generosity, as well as the justice, of England that brought us within the Empire and that led us to fight on your side. I ask you to remember that to-day, when you are dealing with another beaten enemy." General Smuts said that the treaty as drafted would plunge Europe into chaos for a generation.

This incident, so characteristic of the British Empire—with the enemy commander-in-chief of seventeen years earlier sitting as a trusted colleague in the secret councils of the Empire—inevitably suggests a speculation as to what might have been the difference in post-war history had the drafting of the treaty and its administration been in the hands of men steeped in the old British tradition. Botha's plea was not without effect in helping to secure alteration of certain provisions in the draft.

How much did Mr. Hughes expect that Australia would obtain under the reparation clauses? On his return to Australia in 1919, he delivered an address to the soldiers on board the ship on "The Peace Terms; How They Affect Australia." He put the question, "How much, then, are we likely to get from Germany?", and answered it with "I do not know."

I stood (he continued) for an indemnity of £25,000,000,000, and no one could beat me down a penny. . . . But the treaty as adopted makes provision for an uncertain sum. Nobody knows how much it will be. I do not think we will get very much. . . . We may get £20,000,000 or £50,000,000. We must hope and pray.⁹⁰

⁸⁵ Shortly before midnight on 31 May, 1902, General Botha and his colleagues had presented their last protest against the terms of peace.

⁹⁰ *The Argus*, 25 Aug., 1919. On May 4 Mr Hughes informed his Government that reparations would amount to about £11,000,000,000, the first £1,000,000,000 to be paid within two years or so. The subsequent yearly payments to be fixed by a Commission might be "anything from £200,000,000 to £600,000,000, more or less. . . . France gets 55 per cent., say £7,000,000,000, the British Empire gets some where about £2,000,000,000, or about one-fifth of the whole. Australia's share of this will be (as the cost of the war is not included) about one twenty-fifth of the £2,000,000,000, spread over 20, or 50, or a million years more or less."

Later, in the House of Representatives, he gave more figures but not more hope:⁹⁷

Our claim was for £464,000,000. That is made up of £364,000,000 actual war expenditure, and £100,000,000, being the capitalised value of pensions, repatriation, and loss to civilians and civilian property, and so on, incidental to the war. At one stroke £364,000,000 of that amount was struck out. . . . The position of Australia, then, is that our claim is cut down from £464,000,000 to £100,000,000 or thereabouts. . . . Probably—or possibly—we may receive between now and the end of April, 1921, anything from £5,000,000 to £8,000,000. I say, we may. How much we shall get afterwards, I do not know.

Anticipations, however, far exceeded realisations, for by 1931 the total amount received as Australia's share was but £5,571,720, and, the operation of the Young Plan having been suspended in 1932, no further payment has been made.

Other questions which Mr. Hughes brought before the Peace Conference related to the transfer of German private property in New Guinea, the punishment of German officials who had been guilty of inhumane treatment of British-Australasian soldiers and civilians, the appropriation, as compensation for damage done by Germany during the war, of money derived from the sale of goods formerly owned by Germany, and the transfer to the Royal Australian Navy and the Commonwealth mercantile marine of ships captured from the enemy.⁹⁸ The Australian Government asked Mr. Hughes to submit to the conference a suggestion (coming from an Australian financier, Mr. W. L. Baillieu) "for a democratic programme to secure better conditions for working men." It was urged that higher pay and shorter hours were conducive to efficiency, but shorter hours were only feasible by agreement between all countries trading with each other. Mr. Hughes, however, found the Labour Convention "a hopeless document drawn up by Gompers, Barnes and Company" and a menace to the White Australia policy. The fear that Australia's control over her own tariff might be restricted was not, however, realised.

During the conference suggestions were made to the French Government for terminating the awkward condominium

⁹⁷ *Parliamentary Debates*, Vol. LXXXIX, p. 12177.

⁹⁸ On the question of the expropriation of German property, see Vol. X, pp 349-60.

system for the control of the New Hebrides, but Mr. Hughes did not find M. Clemenceau, whose attitude was generally so cordial towards him, responsive on this thorny question.

There is ample evidence that throughout the Peace Conference the Australian Prime Minister was bitterly disappointed by the progress of the negotiations. He would return to Australia without bringing her the sovereignty of the islands or sure relief from her war debt. But in retrospect both he and his countrymen found satisfaction with his achievements. By characteristic methods he had gained single-handed at least the points that were vital to his nation's existence.

XI

In the National Gallery at Melbourne hangs a striking painting representing the famous "Defenestration of Prague," the signal event which opened the Thirty Years' War. It depicts the scene in the castle of the Hradschin on the 23rd of May, 1618, when Count Thurn and the instigators of the revolt against the Hapsburg King of Bohemia, hurled out of the window the two Regents, Martinitz and Slawata, and their secretary Fabricius. The war which ensued grew from being a mere suppression of a local tumult into a great continental conflict which involved every country in western Europe. It became a struggle between the forces of imperialism and nationalism in Germany; in another of its several aspects, a duel between Catholicism and Protestantism; a war which entailed the loss of his dominions by the Prince Palatine Frederick, the son-in-law of James I. of England, and the submerging of the independence of the ancient kingdom of Bohemia. Three hundred years after the Defenestration of Prague the Peace Conference at Paris appointed a commission, the effect of whose report was to restore Bohemia to independence under the name of the Republic of Czechoslovakia. Sir Joseph Cook had no special interest in the Bohemians and the Slovaks, but he was appointed a member of the commission in the same way as General Smuts, who had no special interest in the restoration of the independence of Poland, was appointed a member of the commission which effected that act of justice.

Scarcely anything would be known about Sir Joseph Cook's association with a commission of whose particular task he neither professed nor possessed much knowledge, but for the fact that the officer whom the Foreign Office allotted to guide him was the Hon. Harold Nicolson.⁹⁹ In 1933 that wielder of a sprightly pen published his Peace Conference diary, with a valuable introduction, under the title *Peace-making 1919*. Apart from the errors where Sir Joseph Cook is described as "Premier of New South Wales," which he never was, and Mr. Latham as "Secretary to Mr. Hughes," a fate which he escaped, Mr. Nicolson's diary sheds a welcome light on the work of the commission. He spent a morning "coaching Sir Joseph Cook as to his functions," and summed up his pupil's attitude as "one of benevolent boredom." But from time to time Sir Joseph gave "a smile of contempt, indicative of the fact that although he may be ignorant of geography, as of the French language, yet he represents a young and progressive country, whereas we others are effete. But he is a nice, sensible man and an angel of obedience." What better chief could an alert and well-informed young diplomatist have desired to direct? Once Sir Joseph was startled by being suddenly asked by M. Cambon to record the official view of the British delegation. "Well," he replied, "all I can say is, we *are* a happy family, aren't we?" The remark, which was scarcely an informative reply to M. Cambon's question, brought an expression of "acute agony" to the face of the official interpreter. He wrestled gallantly with his problem, and at length emitted the version: "Le premier Délégué britannique constate que nous sommes une famille très heureuse." But, comments Mr. Nicolson, although the answer produced a painful silence, "Cook is all right. He has sense." A little later the French started an argument about the Delbrück nationality laws, and again Sir Joseph was asked to express the official British view. "'Damn Delbrück' was what he said," records Mr. Nicolson, "and how right! how true!" But he adds that to the interpreter Sir Joseph Cook was again a thorn in the flesh. Indeed,

⁹⁹ Hon. H. Nicolson, C.M.G. Foreign Office official, 1909/29; Counsellor of British Embassy, Berlin, 1928/29. Author and critic, of Sissinghurst, Kent, Eng., b. Teheran, Persia, 1886.

his method of handling awkward questions displayed a noncommittal adroitness acquired from experience in Australian parliamentary life, where dexterity under interrogation is an accomplishment without which a ministerial career would be fraught with calamities. Lieutenant-Commander Latham, one of the secretaries of this commission, wrote afterwards that Sir Joseph Cook "took his general instructions from Harold Nicolson, and . . . used his own practical common sense."

Sir Joseph Cook might have remembered that according to a familiar legend it was the plume of three ostrich feathers of the blind King John of Bohemia, slain at the Battle of Crécy, that the English King Edward III. took from his helmet and handed to his son the Black Prince, who adopted the motto, "Ich dien," which has ever since been borne by Princes of Wales. "I serve" signified the spirit in which the Australian delegate accepted a place on the commission; and it was a strange historical accident that made a statesman from a country, which was scarcely known even to expert geographers and cartographers when Bohemia lost her independence, one of the instruments for its restoration after three centuries. But thus, very often, does "the whirligig of time bring in his revenges."

The Germans had, of course, no representation on the Peace Conference; the extreme difficulty of securing agreement between the five great and the twenty-two smaller allies, as well as the extreme tension of the Great War, put any such procedure out of question. But, when the treaty had been finally drafted, a German delegation was summoned to Versailles to receive the peace terms. There, on the 7th of May, 1919, M. Clemenceau presented them with the draft. There followed memoranda of protest and various representations from the German Government as a result of which, as has already been indicated, certain alterations were made in the terms.

CHAPTER XXIII

THE TREATY AND ITS RATIFICATION

ON the 28th June, 1919, in the great Hall of Mirrors in the Palace of Versailles, the delegates of the German nation met the representatives of the victorious Powers, and signed the Treaty of Peace which terminated the Great War. In that same hall, whose 300 tall slabs of gleaming glass give it the name it bears, forty-eight years before, the Prussians, flushed with triumph, imposed the conqueror's will upon the humiliated French people. In less than half-a-century those mirrors reflected a complete reversal of fortune. The Germans now bit the dust, and it was with a distinctively Gallic sense of dramatic values, and with cutting irony, that the emissaries from Berlin were brought to that Hall to set their names to the hard conditions imposed upon Germany.

The ceremony was staged in the afternoon, shortly after three o'clock. Twenty thousand French troops lined the route along which the statesmen, diplomatists and secretaries came in their cars from Paris. The whirring chorus of the propellers of a dozen aeroplanes circling overhead supplied a ground bass to the cheers of the multitude as the familiar figures of the war and the conference arrived and entered the golden gates of the vast *château* which still symbolises the power and the imagination of the greatest of the Bourbon kings, Louis XIV. The Grand Staircase and the passage to the door of the Hall were lined by cuirassiers, magnificent men, with shining cuirasses and helmets, and with sabres drawn. All who had entry had to walk between these splendid ranks. Marshal Foch was one of the first to arrive. M. Clemenceau was a few moments behind him. The British delegation appeared just before three, Mr. Balfour and Mr. Lloyd George being enthusiastically greeted by the great crowd. And in that delegation were Mr. William Morris Hughes, Prime Minister of Australia, and Sir Joseph Cook, his Minister for the

Navy (who was knighted in 1918). In the fine painting by Sir William Orpen¹ of "The Signing of the Peace Treaty of Versailles," only part of the top table is shown, and Mr. Hughes figures in it; he gave a special sitting to the great artist for the portrait, who confessed to much difficulty in getting his model to sit still.

The German delegates now moved up between the two rows of gleaming swords. At the moment when the usher announced their entry, these swords, at a word of command, were sheathed with a resounding clash. The war was ended.

After the Germans had put their signatures to the document, President Wilson and the American delegation signed. Then came Mr. Lloyd George and the British delegation, including Mr. Hughes and Sir Joseph Cook. The first four British signatures were those of Mr. Lloyd George, Mr. Bonar Law, Lord Milner, and Mr. Balfour, in that order, on page 214 of the original manuscript of the treaty. The signatures of Mr. Hughes and Sir Joseph Cook were on the next page, between those of the Canadian and South African plenipotentiaries. When the signatures had all been recorded, a battery of artillery in the park boomed forth a salute, and the famous *fleur-de-lis* fountains of Versailles spouted columns of water high in the quivering air.

II

Before Mr. Hughes and Sir Joseph Cook could be recognised as plenipotentiaries with authority to sign the Peace Treaty in behalf of Australia, it was necessary that they should receive formal authorisation from the Commonwealth Government and that the Governor-General should petition the King to appoint them. When, therefore, arrangements were being made for the great ceremony at Versailles, the Prime Minister cabled from London (14th April, 1919) informing the Acting Prime Minister, Mr. Watt, that the treaty would be signed "in respect of Australia by Australian plenipotentiaries," and that

¹ Major Sir William Orpen, K.B.E.; R.A.S.C. Official Artist in France, 1916/19; President of International Society of Sculptors, Painters, and Gravers, 1921/31. Of Chelsea, Eng.; b. Oriel, Stillorgan, Ireland, 27 Nov., 1878. Died 29 Sept., 1931.

"under international practice their powers are issued by the King, but the issue should be based on formal authority from the Australian Government." It was necessary that an Order-in-Council should be passed and forwarded to London. He directed that the Order-in-Council should be framed in the following terms:

Whereas in connection with the Peace Congress it is expedient to invest fit persons with full powers to treat on the part of His Majesty the King in respect of the Commonwealth of Australia with persons similarly empowered on the part of other States, therefore His Excellency the Governor-General in Council is pleased to order, and doth hereby order, that His Majesty the King be humbly moved to issue Letters Patent to each of the following named persons: the Right Honourable William Morris Hughes, P.C., M.P., Prime Minister of the Commonwealth of Australia, the Right Honourable Sir Joseph Cook, P.C., G.C.M.G., M.P., Minister for the Navy of the Commonwealth of Australia, naming and appointing him as Commissioner and plenipotentiary in respect of the Commonwealth of Australia with full power and authority as from the first day of January, 1919, to conclude with such plenipotentiaries as may be vested with similar power and authority on the part of any Powers or States, any treaties, conventions or agreements in connection with the said Peace Congress, and to do for and in the name of His Majesty the King in respect of the Commonwealth of Australia everything so agreed upon and concluded, and transact all such other matters as may appertain thereto.

The mere signatures of Mr. Hughes and Sir Joseph Cook would not, however, involve the acceptance of the Peace Treaty by Australia. Mr. Watt had given a pledge that the Commonwealth Parliament should have an opportunity of discussing the treaty before Australia's assent was given. To make assurance more sure he had cabled to Mr. Hughes for an explanation in these direct terms (March 19th):

When you talk of signing peace terms I presume you have not altered view that Commonwealth Parliament cannot be committed to any project in peace or League of Nations without consent Commonwealth Parliament.

Mr. Hughes replied (March 21st):

As to signing Peace Treaty, (1) I shall not sign anything unless and until I have communicated with you; (2) everything I do sign will be subject to the reservation that the Commonwealth Parliament must approve before Commonwealth can be finally bound.

This undertaking having been given, the Letters Patent were passed by the Governor-General in Council on April

23rd, and cabled to London in the form in which Mr. Hughes had desired. But Mr. Watt, in cabling the document, was again careful to state:

You will understand that this authority is in form requested by yourself. Although plenary in every way, I still regard our formal arrangement as standing, namely, that anything signed by yourself and (or) Cook on behalf of the Government shall be subject to ratification by Commonwealth Parliament. Please advise if this understanding is correct.

To that request Mr. Hughes cabled in reply (April 30th):

Your telegram 23 April *re* Executive Council appointing Cook and me plenipotentiaries for signing Peace Treaty. Treaty itself contains clause providing for parliamentary ratification.

III

The Prime Minister was on his voyage back to Australia when Germany ratified the treaty of peace which had been signed by her plenipotentiaries at Versailles, and it became a matter of urgency that the treaty should also be ratified by Great Britain and the dominions. On July 29th, therefore, the Secretary of State cabled to the Governor-General a message which he requested should be repeated to Mr. Hughes by wireless, and also sent to the Acting Prime Minister, Mr. Watt. The message urged that it was of the greatest importance that the treaty should be ratified with the least possible delay, "as till this is done there can be no definite peace." "As you are aware," said the Secretary of State, "His Majesty can constitutionally ratify any treaty without the consent of Parliament. The British Government has however thought it desirable to submit the treaty to Parliament, where it will be without doubt approved in the course of this week. It is of course for you to decide whether you wish to submit the treaty to the Parliament of the Commonwealth of Australia before it is ratified by His Majesty. If so, it would be necessary for you to do so immediately on your return."

Mr. Watt sent the message by wireless to Mr. Hughes, who was on board the *Friedrichsruhe* at Durban, on August 4th; and in doing so reminded him that in his cablegram of March 21st he had stated that the signing of the treaty of

peace would be subject to the reservation that the Commonwealth Parliament must ratify. "Based on this understanding," said Mr. Watt, "the Government speech at opening this session stated clearly that the adoption or otherwise of the peace treaty would be dependent upon the will of the Commonwealth Parliament. It is absolutely essential that this promise be kept." The speech to which Mr. Watt referred was a ministerial statement by himself, made in the House of Representatives on June 25th, wherein he had informed Parliament that executive authority was conferred upon the Commonwealth but that "the adoption or otherwise will be dependent on the will of Parliament."²

Mr. Hughes in reply from Durban said:

I have repeatedly said that I, in common with representatives of all the nations represented at Peace Conference, signed the treaty of peace subject to ratification by Parliament. That is the position. It is for Parliament to deal with it as it thinks fit.

On August 5th Mr. Hughes sent the further message by wireless:

When I sent my reply to your telegram I had not received Secretary of State's telegram, to which I presume you refer. This quite explains your anxiety, which I could not understand. You may rest assured everything will be left for Parliament to settle.

The Secretary of State was very anxious that no time should be lost in securing ratification by Australia, and on August 7th cabled again to the Governor-General asking him to ascertain the earliest date by which the Commonwealth Parliament might be expected to signify its determination. "The matter is urgent," it was stated, "in view of the severe pressure being put on me from Paris to ratify at the earliest possible date. Canada is holding a special session to consider the treaty on the 1st September, and French ratification is expected on the 2nd or 3rd September."

Again on August 12th the Secretary of State cabled informing the Commonwealth Government that South Africa had convened a special session of Parliament to consider the Peace Treaty with Germany, and, being of opinion that it was very desirable to secure uniformity in dealing with the

² *Parliamentary Debates, LXXXVIII, 10037.*

question, had asked the British Government to submit suggestions as to the form in which the treaty should receive parliamentary approval in the dominions; whether it was preferred that ratification should be secured by means of a bill on the lines of that submitted to the Imperial Parliament, or a motion framed for the purpose. The Secretary of State had replied to the South African Prime Minister that the question was one for local determination, but his own opinion was that the advisable course was to obtain the approval of both Houses by resolution, and, if legislation was required in order to give effect to the treaty, that should follow later. But it had to be borne in mind that any bill introduced to Parliament would not be a bill to ratify the Peace Treaty, but a bill to enable the government to take the necessary steps to carry out those provisions of the treaty which required legislative authority. The reason for suggesting procedure in the first instance by resolution was that this would enable ratification to take place without delay, such as might be involved in obtaining the passage of a bill through both Houses. The Secretary of State added that he presumed that if procedure by resolution was adopted, there would be no objection to ratification by the King immediately the Imperial Government received information to the effect that such a resolution had been passed by the Commonwealth Parliament. In a cablegram of August 26th the Secretary of State announced that Canada had decided to proceed by way of resolution of both Houses, and on September 1st he informed the Commonwealth that South Africa would adopt the same course.³

Mr. Hughes arrived in Melbourne on August 30th,⁴ and received an enthusiastic public welcome from vast crowds, which were massed all the way from Spencer-street railway station, along Collins-street, to Parliament House, to see him

³ The cablegrams cited are from files in the Prime Minister's Department, Canberra.

⁴ It was on 5 July, 1919, immediately before Mr. Hughes sailed from England, that, on the suggestion and by the energy of Lord Birkenhead, he was made a member and bencher of Gray's Inn. The function was only arranged at the last moment, and the rapidity of the whole process—from student to bencher in one morning (and that a Saturday)—was unprecedented. Lord Birkenhead, treasurer of the Inn, afterwards rushed him in a taxi to the Law Courts, where he made his bow to, and received congratulations from, the two or three judges who were sitting on the Saturday morning.

pass. It was a reception like that of a victorious general with the laurels of a campaign fresh upon him. Objection was taken by his opponents in Parliament to giving to him a semi-military welcome, but about the warmth of the public welcome there could be no doubt.

Nearly a week passed before any intimation was given to the Imperial Government as to when the Peace Treaty would be ratified. On September 6th the Secretary of State sent an urgent cablegram complaining:

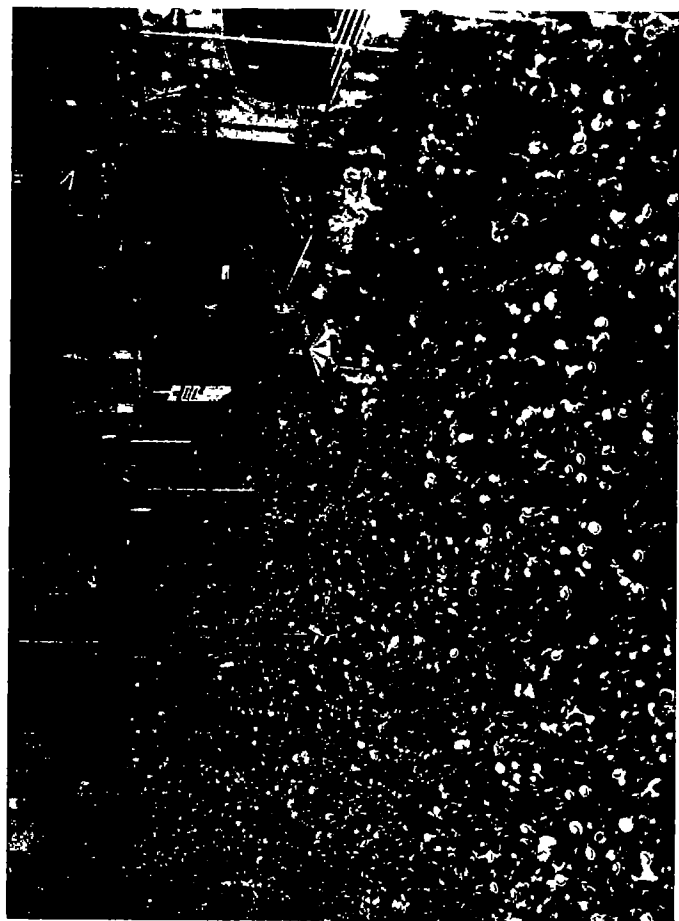
Have heard nothing from you since your two telegrams 18th August New Zealand resolution already passed and Canadian and South African resolutions expected by Thursday next. Please telegraph as soon as possible when Australian ratification may be expected.

The best the Governor-General could promise in reply was that the resolutions would be moved in Parliament on Wednesday, September 10th, and that ratification would be voted probably within a fortnight.

IV

Mr. Hughes brought the Peace Treaty before Parliament on the 10th of September, 1919, when he moved in the House of Representatives: "That this House approves of the Treaty of Peace between the allied and associated Powers and Germany, signed at Versailles on the 28th June, 1919." The motion was carried without dissent after a four days' debate. An amendment expressing the opinion that owing to the limited amount of information placed before Parliament in regard to the commitments and responsibilities of Australia, the whole matter should be referred to a select committee, was defeated without a division.

In a carefully prepared speech, Mr. Hughes paid eloquent tribute to the valour of the Australian soldiers, commenting especially upon their heroic defence of Amiens; the memorable attack upon the German front on the 8th of August, 1918, when victory was brought within the grasp of the Allies; and upon the Palestine campaign, which he described as the finishing blow "that shattered the last hope of Germany and snatched from her grasp that Empire of the East which was her cherished ambition." In the history of the world, he

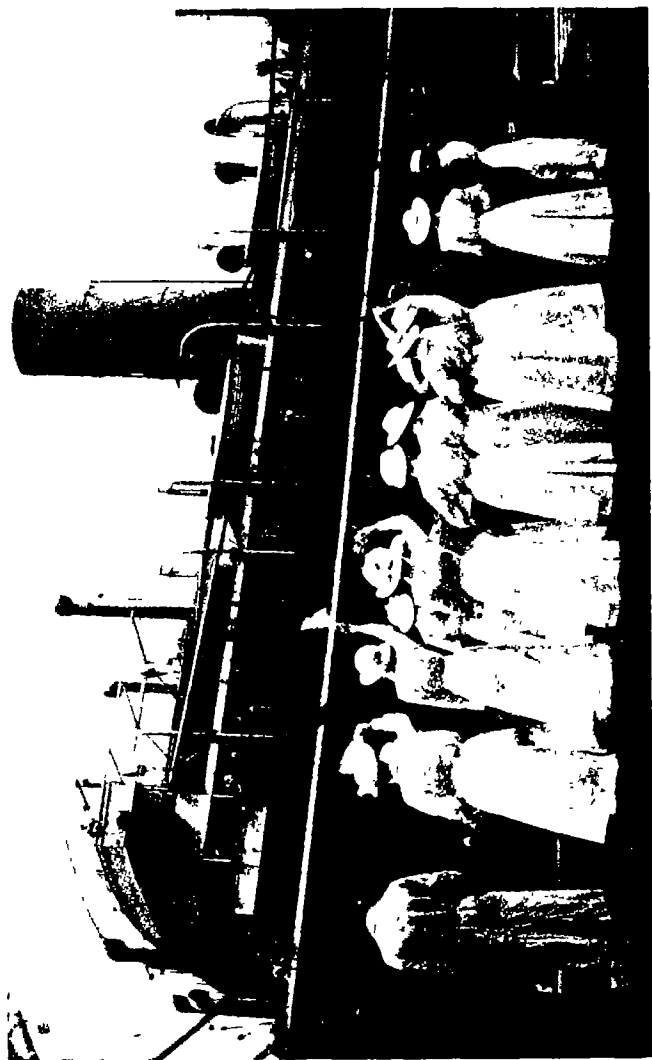


60. "AUSTRALIA DAY" IN SYDNEY, 30TH JULY, 1915

(Crowd outside the Town Hall, in George-street (See also Vol VII, plate 740)

Photo by 'The Sydney Mail'

To face p 818



61 RETURN OF SICK AND WOUNDED TO SYDNEY

Red Cross workers waiting for a troopship to berth

Photo by "The Sydney Mail."

To face p 819

maintained, "there never was a greater victory than that which was achieved in Palestine, and in it, also, as in France, the soldiers of Australia played a great part." He stressed the greatness of the military achievement of Australia, a young community of 5,000,000 people, when she transported over 12,000 miles of ocean a greater army than Great Britain had ever sent out before. Mr. Hughes then described the steps he had taken in London to secure for Australia and the other British dominions direct representation at the Peace Conference, and the part taken by Sir Joseph Cook and himself in the preparation of the conditions upon which the Peace Treaty was based. He gave a detailed description of the constitution and functions of the League of Nations.

Coming to Australia's special interests under the Peace Treaty, Mr. Hughes reminded the House that the war had left this country with the huge debt of £350,000,000. It was right, he held, that Germany should pay for what the war had cost. But apart from the financial burden, in what position had the war left Australia? Her first concern was national safety. He had protested against "the great rampart of islands stretching round the north east of Australia" not being held by this country or by some Power "in whom we have absolute confidence." When the armistice terms were decided on November 5th, he had protested against them, because there was no guarantee that under them the possession of those islands would be vested in Australia. He had fought before the Council of Ten for this guarantee of national safety. But "one of the most striking features of the Conference was the appalling ignorance of every nation as to the affairs of every other nation, its geographical, racial and historical conditions or traditions." It was therefore difficult to make the Council of Ten realise how the safety of Australia depended upon the possession of those islands. "We sought to obtain direct control of them, but President Wilson's fourteen points forbade it; and, after a long fight, the principle of the mandate was accepted." Then, said Mr. Hughes, the nature of the contest changed, and, since the mandate principle was forced upon us, we had to see that the form of the mandate was consistent not only

with our national safety, but with our economic, industrial, and general welfare. The nature of the conditions obtained was described, Mr. Hughes giving particular attention to the modification of the principle of "the open door" to mandated territories, in view of Australia's peculiar position in regard to New Guinea.

Passages of particular interest in the speech related to the insistence upon the White Australia principle, and Mr. Hughes's strenuous objection to any provision being inserted in the Peace Treaty which might appear to recognise the right of any other country, being a member of the League of Nations, to such equality of treatment as would confer upon its people a right to enter Australia at discretion. An estimate was furnished to the House of the extent of reparation payments which might be expected to be paid to Australia, and a short account given of the Labour Charter which had been inserted in the League of Nations Covenant to enable an international labour organisation to be established. Finally, in picturesque phrases Mr. Hughes turned from the horrors of war and its penalties to the hopes of peace. "Is the peace worthy of the victory? Is the Treaty worthy of the sacrifice made to achieve it? I shall not measure that sacrifice by money. I put that aside. The sacrifice is to be counted in the lives of our bravest and best, who died that we might live. Thousands of them lie buried in foreign soil. Over their graves there is no monument, but their names will live for ever. What has been won? If the fruits of victory are to be measured by national safety and liberty, and the high ideals for which these boys died, the sacrifice has not been in vain. They died for the safety of Australia. Australia is safe. They died for liberty, and liberty is now assured to us and all men. They have made for themselves and their country a name that will not die. We turn now from war to peace. We live in a new world, a world bled white by the cruel wounds of war. Victory is ours, but the price of victory is heavy. The whole earth has been shaken to its very core. Upon the foundations of victory we would build the new temple of our choice."

The leader of the Opposition, Mr. Tudor, expressed his general approval of the treaty, tempered with his regret that

it contained nothing providing for the limitation of armaments. He also justified the action of the Labour party throughout the war. He was followed by Sir Joseph Cook, who gave his own account of the reparations' undertakings of Germany, and of the responsibilities undertaken by Australia under the mandates' clauses. He confessed himself a hearty supporter of the League of Nations, and had no doubt of Australia's security under it. The greater part of Sir Joseph Cook's speech was an exposition of what the League meant and its moral value as bringing "a great hope to the world."

The official attitude of the Opposition, therefore, was favourable to the acceptance of the treaty without serious questioning of its details. The one feature of the debate which was of an inharmonious character related to the granting to Japan of a mandate for the government of the Pacific islands formerly in the possession of Germany north of the equator. The challenge to the Prime Minister's action on this question came from a private member of the Labour party, Mr. Catts, who complained that "Australia had been betrayed" by the provision of the treaty which brought an Asiatic power 3,000 miles nearer to this country. Mr. Hughes replied that when he returned to Australia from Great Britain in 1916, while he was still the leader of the undivided Labour party, an explanation of what had been arranged with regard to the islands had been given by him not only to the Cabinet but also to a meeting of the Labour party, and to a secret session of the Commonwealth Parliament. His action had received the endorsement of the party to which he belonged, of the Government of which he was the head, and of the whole Parliament sitting in secret session.

Before the debate closed Mr. Tudor, by way of personal explanation, stated that no Government of which he was member "agreed to any treaty" under which the Pacific islands north of the equator "were to be handed over to Japan," and he protested that "if any treaty of that sort was made by any Government with which I was associated, I am absolutely ignorant of it." Mr. Tudor's emphasis was on the word "treaty." But there could be no treaty affecting the matter in 1915; it had then been distinctly stated that whatever arrangements were made for the occupation of the

islands must be regarded as temporary, and subject to agreements to be made at the end of the war. Mr. Tudor was a member of the Cabinet when this arrangement was made. Mr. Higgs likewise protested that he was not present at any Cabinet meeting which was informed "of an arrangement which had been made by Great Britain with Japan under the terms of which Japan was to assume control of the islands north of the equator," nor was he present "at any meeting of the parliamentary Labour party at which it was explained that the Commonwealth Government had consented to that agreement." No records are available as to which members of the Cabinet were present at the meeting. But it is to be observed that no other member of the Cabinet of 1915 disputed Mr. Hughes's statement, nor did any member of the Labour party contest his assertion that he had explained the situation at a party meeting.

The debate was interesting for another reason—that a contribution to it was made by Mr. S. M. Bruce, who three and a half years later was to succeed Mr. Hughes as Prime Minister of the Commonwealth. Mr. Bruce, who fought with the 29th Division in Gallipoli, had entered Parliament for the first time in May, 1918, as member for Flinders, when Sir William Irvine became Chief Justice of Victoria. On this occasion he mentioned that he was in England when the terms of the Peace Treaty were being discussed. The features of it which most pronouncedly interested Australia were, he said, those relating to the White Australia policy and the mandate which had been entrusted to this country for the government of those islands which formed a rampart of the Commonwealth. On both issues he warmly praised the efforts of Mr. Hughes. "It was freely stated from one end of England to the other that the Prime Minister of Australia was imperilling the whole Peace Treaty by this policy for which he stood and fought, and with respect to which he would not give way in the smallest degree." Mr. Hughes's persistence had been described as the hopelessness of an unreasonable man, and every form of pressure was applied to induce him to abandon the principle for which he was fighting. But he secured recognition of the White Australia policy in the treaty itself. On the question of the

mandate, Mr. Bruce held that there was some doubt whether it would not have been better to give to the United States of America a mandate over the islands, but the Prime Minister had fought for Australia and, the speaker claimed, "in securing this mandate he has gained a great thing for us."

The Senate was unanimous in its acceptance of the treaty. and no amendment was moved in that House; nor was any exception taken to the statements of the Prime Minister—which were, of course, within the knowledge of senators—explaining the position regarding the islands.

CHAPTER XXIV

REPATRIATION

REPATRIATION is defined as the process of restoring or returning men or women to their native country. Applied to Australian soldiers, it was properly the process of bringing back to Australia those who were oversea, and in that sense it was used by the commander and staff of the A.I.F. when endeavouring to forecast, as they did as far back as 1916, the methods which must be prepared for returning the A.I.F. to Australia at the end of the war. In Australia, however, the word was already being employed to describe the subsequent and even more difficult function of replacing the returned men in civil employment.

The confusion of terms had one serious result—that when, during April, 1918, General Birdwood and the staff of the A.I.F. were endeavouring to prepare—as other dominions were doing—a scheme for the return of their troops to Australia at the end of the war (which they spoke of as a scheme of repatriation) they were somewhat curtly directed by the Australian Government to undertake nothing without instructions from the separate department that had by then been established in Australia to deal with “repatriation” as understood at the Australian end. The foreshadowed instructions, however, not having, in spite of numerous requests, been received by October 1918, and the end of the war being then apparently imminent, very strong representations were made from London.¹ On November 12th the day after the signing of the Armistice, Mr. Hughes, who was then in London, was authorised by the Australian Government to act on its behalf in the whole matter, and the staff of the A.I.F. was told to deal direct with him. General Birdwood had previously been ordered to cease using the word “repatriation” in connection with the arrangements being made by the A.I.F. staff. Henceforth these were termed “demobilisation”—although in the strict sense that term should equally have

¹ In the form of a cablegram sent on Oct. 21 by the Official War Correspondent, which, however, was withheld from the press but was seen by the ministers concerned.

applied to the discharge of the men in Australia. With what conspicuous success the task was undertaken, at the request of Mr. Hughes, by General Monash, will be described in another volume of this work. It must suffice here to touch on one or two of those matters which most intimately affected the problem at the Australian end—that of placing the men back in civilian life.

The first was the rate at which the A.I.F. returned. When the last gun was fired there were 87,000 men in France and Belgium; 63,000 in the United Kingdom, many of these in hospitals and convalescent homes, others still undergoing training in camps; and 17,000 in Egypt, Syria, and minor theatres of war—167,000 in all.

These thousands had to be conveyed to the opposite end of the earth. Even to move them from their cantonments was in itself difficult. French and Belgian railways were extremely congested. Every port was crowded with shipping. But every vessel was under the control of the Ministry of Shipping, and very few could in the beginning be spared for sending Australian troops on the long voyage home. Belgian refugees in Great Britain had to be sent back. British prisoners-of-war in Germany clamoured to be released. Tens of thousands of Asiatic and African coolies, who had been brought into Europe for war purposes, had to be removed as soon as possible. The United States Government wanted ships to take its troops across the Atlantic; the Indian Government demanded ships to take its people back to India; the War Office needed ships for the return of regiments from every seat of war; Canada wanted ships; so did New Zealand. This fierce competition for ships had been foreseen by Sir Brudenell White who, as chief of the A.I.F. staff, had at the beginning of 1918 urged that plans should be prepared to meet it. When it came about, although General Monash had a forceful way with him, the Ministry of Shipping knew a surprising number of polite synonyms for "It can't be done at present." Nevertheless, the support of Mr. Hughes was a powerful factor, and during December 1918, before the peace conference, a steady flow of embarkations was initiated. The *Port Hacking*, which steamed from Devonport on December 3rd, was the first vessel to leave the United Kingdom with

Australian troops; she carried 673 of them, and before the end of that month fifteen other ships had been despatched, from Liverpool, Devonport, Southampton, and Gravesend, on the long antipodean voyage, carrying altogether 13,312 men from Europe and a number from Egypt. It was no small achievement to have secured 16 vessels at that time of struggle for tonnage.

At an early stage there arose a question of policy which also had been raised by General Birdwood long before. Was it desirable to hurry the process of demobilisation? Could Australia forthwith absorb 167,000 men? So far, no plans had been worked out in Australia for land settlement or other methods of employing them. Some amount of anxiety was transmitted from Australian quarters. But Mr. Hughes settled that issue as soon as it was put to him. He was willing to take full responsibility for repatriation at the maximum rate, having regard to the quantity of shipping available. When the staff commenced to work out a scheme, it was calculated that at least eighteen months would be requisite for completing the task. In fact, the great bulk of the A.I.F. was embarked within eight months. General Monash admitted that this was achieved "by the exercise of constant importunity by myself and my staff," and by keeping the overwhelming claims of the most outlying of the dominions constantly before the Imperial Government. Valuable assistance was given by Mr. Hughes and Sir Joseph Cook, and, later, by Senator Pearce, who visited Great Britain in 1919. Senator Pearce's visit was adversely criticised at the time, but General Monash records that it was of much benefit to the A.I.F. "Not only was he able, by the weight of his authority, to obtain prompt attention to the demands made upon Imperial resources in the direction of maintaining our embarkation programmes at a full scale, but he could settle without delay a great mass of administrative and financial questions which were of a nature to require the exercise of ministerial responsibility." The testimony of the Australian War-Munitions headquarters is to the same effect, that the difficulty of securing ships was greatly alleviated through the presence of the Minister for Defence.

Second, as to the order in which the troops came back. Long before the war ended, this matter had been considered

by General Birdwood's staff and a solution recommended. The simple course would have been to embark by units; another method, to sort out the men according to their occupations, and send first those who would at once fall into employment. But the fairest principle was "The first to come out shall be the first to go home," and that was adopted as the rule, married men having preference in accordance with their responsibilities and the opportunities for their employment.

Third, inasmuch as the most expeditious methods of repatriation would entail keeping many thousands of men in Europe for some months, it became imperative to employ them as usefully as possible. An education scheme had already been organised in the A.I.F., the example having come from the Canadian force and from a similar scheme in course of preparation by the British. This was expanded, largely upon the suggestion of Mr. Hughes, into a much more extensive scheme of "non-military employment," to include training for almost every form of civil occupation.

The last of the main transports conveying Australian troops home was the *Port Napier*, which left England on the 23rd of December, 1919, thus bringing to a conclusion a piece of brilliantly organised work which, for perfection of planning and smoothness of working, was considered by Sir John Monash to be the best example of "staff work" with which he was associated in the war. For the naval side of it the Transport Branch was, of course, responsible. As for the military, the A.I.F. knew General Monash for a commander of rare capacity, in whom every man had a peculiarly respectful confidence; but few were aware that in his later years he spoke of the demobilisation work as in his opinion his best performance.²

As many as 176 voyages were required and 137 different ships were engaged in these.³ Although the Australian Government possessed a commercial fleet by this time, very few of its ships were suitable for carrying troops, and all the

² General Monash, in giving a copy of his report to the author of this book, made the comment, "I wish you would read this report; I think it would interest you; to my thinking, the staff work on this job was superior to anything with which we were connected during the war."

³ A large number of soldiers' wives also were brought out. In this connection certain troubles arose leading to special legislation. In the first place, of the many marriages made oversea, a certain proportion were unfortunate. A number of soldiers before returning desired to obtain divorces, but, although the grounds for

transports except these had to be chartered from private owners. The task of General Monash was practically ended when the last transport landed her men on the shores of Australia.

The methods of transporting the A.I.F. from Egypt, Palestine, and Syria, were substantially the same as those adopted by General Monash, the control in this theatre being in the hands of Lieutenant-Colonel Fulton.⁴ Despite the interruption, over a period of three months, caused by the disturbances in Egypt, practically the whole force had embarked by the beginning of August 1919.

II

The reinstatement of discharged soldiers in civil life in Australia had long since begun.⁵ Even before the first sick and wounded men arrived from Gallipoli, the subject had been discussed, but it was doubtless the return of these men, which began in July 1915⁶ that caused any concentration of attention upon the problem. In the early days, as nearly all the soldiers returned were invalids, the immediate problem was largely one of after-care, which at that time was generally assumed to be a responsibility that should properly be discharged by use of

divorce might exist, the British courts were closed to the husbands whose domiciles were in Australia. In order to enable them to sue in Great Britain, the British Parliament passed the Matrimonial Causes (Dominion Troops) Act, by which, after corresponding legislation had been passed in the Australian States, the disability was removed. In the second place, a number of married soldiers were found to have contracted bigamous marriages in the United Kingdom, and cases occurred in which the English "wife" was brought out and then abandoned. As the second "marriage" occurred overseas, there was difficulty in punishing the offender, and the Defence Department raised the question of getting the British law amended, so that these offences could be sheeted home. This matter appears to have been allowed to drop, but the results of these alliances continued for years to be a trouble to the Repatriation Department.

⁴ Lieut.-Col. D. Fulton, C.M.G., C.B.E. Commanded 3rd L.H. Regt. 1915/17; Commandant A.I.F. Headquarters, Egypt, 1917/18; Asst. Dir.-Gen., Repat. and Demob. Department, A.I.F., in Egypt, 1919/20. Estate agent; of North Adelaide; b. North Adelaide, 1 Aug., 1882.

⁵ This section is based largely on the report of the Repatriation Trust and later reports of the Repatriation Department, and Commission. The author has also had the advantage of reading a valuable and comprehensive unpublished thesis on *The Origins of Australia's Repatriation Policy*, by Mr. L. J. Pryor, University of Melbourne. *The Australian Encyclopædia* contains an informative article by Mr. D. J. Gilbert.

⁶ The first batch of a few wounded arrived in Melbourne on 18 July, 1915. The military staff had not foreseen the public interest that would attend this event; thus, although the medical preparations were careful, those of the wounded who could walk marched from the ship to the train along with men returned for disciplinary reasons, or with venereal disease, and others. The spectators, not knowing whom to cheer remained silent. Some of the railway arrangements also aroused much criticism.

the patriotic funds. The Federal Parliament's War Committee, which had so far chiefly watched over recruiting and the welfare of camps, now recognised that some organisation must be established to deal with the problem of returned soldiers. It accordingly formed, in every State, councils known as "State War Councils," which in turn formed "War Service Committees" in each local government area, and for nearly two years, from August 1915 to August 1917, these bodies remained chiefly responsible for the actual work of repatriating invalided men, and caring for their dependants.

The chief duties of the War Councils were to provide limbs and vocational training for maimed ex-soldiers; to find positions for men able to work; to register those who desired to settle on the land, and to notify the lands departments in the several States; to collect funds for all these purposes; and to form the necessary local committees, and through these to help the settler or other returned soldier when starting in work, and to see that soldiers' dependants were cared for. The necessary money came in the first instance from the various existing patriotic funds raised for Australian soldiers. At least twenty such funds existed in the various States, the most important of them being that resulting in New South Wales from "Australia Day," part of which was properly devoted to "amelioration" of soldiers and their families in Australia.⁷ The settlement of soldiers on the land was, however, a recognised function of the State governments, to whom all the crown lands within their respective boundaries belonged, and who alone had the machinery for dealing with settlers.

To unify the work of the War Councils and to suggest a scheme of land settlement, the Federal Parliamentary War Committee appointed as Honorary Organiser Mr. Watson, the former Prime Minister of Australia, who had volunteered to undertake public service. He was assisted by a well-known journalist, Mr. Gilbert, who had recently been chosen as editor of the daily newspaper which the Labour party had intended to launch in Sydney—a project temporarily abandoned in consequence of the war. On Mr. Watson's initiative a questionnaire was sent to the soldiers at the front asking what work

⁷ Other large funds for the purpose were the Australian Patriotic Fund in Victoria, and the South Australian Soldiers' Fund.

they proposed to undertake after the war. He realised that the States could not, as had at first been intended, undertake to meet the whole cost of land settlement, although they were likely to insist on full control of it. But the State War Councils had no funds of their own. Accordingly at Mr. Watson's suggestion, in February 1916 it was decided to launch an Australian Soldiers' Repatriation Fund to which recourse should be had not for the "amelioration" of necessitous cases, but to supply soldier settlers with stock, seed, implements, and other material as well as to meet the cost of training and equipping men in other callings. The States agreed to be responsible for other costs of land settlement.

The fund was launched with certain very large gifts from a few leading business men—Messrs. Baillieu of Melbourne promised £25,000, and the Hordern family and firm in Sydney £20,000. To support these gifts, the Commonwealth Government added £250,000, and by Act of Parliament vested the fund in a board of trustees of which Mr. Gilbert became secretary. But the objects of the fund were never clearly understood by the general public. It was explained that it would be used only for "subsidiary" ends—the main cost of placing the soldier on the land would be borne by the Commonwealth out of loan money, it being, at this time, intended to borrow £10,000,000 for the purpose. But there was a very general notion that the Federal Government was throwing its own responsibilities upon the subscribers to a voluntary fund. The Trust was nevertheless in a very strong position as a collector—all persons were prohibited from using the words "Anzac" and "Repatriation" in connection with any public collection, unless authorised to do so by the War Councils. It was planned to hold an "Anzac Week" in which not only—or chiefly—would money be raised throughout the Commonwealth, but the factories would concentrate upon producing the articles which the ex-soldier, whether settler on the land or otherwise, needed;⁸ it was also hoped that land, houses, any gift that could be used for the soldiers, would be contributed. The mere right to use the word "Anzac" in connection with this effort was an incalculable advantage. The opening day was twice fixed; but the disruptive ferment of the first

⁸ This scheme of "Anzac work" was the plan of Mr. Gerald Mussen.

conscription campaign was then at its height. The day was twice postponed, and the collections were eventually made only in Queensland and South Australia.

Meanwhile, on the visit of Mr. Hughes to Europe it had been learnt that the £10,000,000 could not be raised, and the Government decided that all expenditure must be charged to the patriotic fund, which must be increased accordingly. In December 1916 the Prime Minister announced that a proposal for a levy on wealth was being prepared. How far amounts given to the fund would be exempt from taxation was not fully determined. Under such conditions the raising of the fund could not flourish. Moreover neither the Trust, which allotted the money, nor the State Councils, which spent it, nor yet the ex-soldiers or the public were satisfied with the adequacy of the system.

Obviously the problem would assume immense proportions after the war ended; and, although the State Councils and the numerous local committees that worked under them devoted great care to the comparatively small numbers so far returning, and to the dependants of many who could no longer fully support them, there were numerous complaints. Generous help poured forth from all quarters, especially for the after-care of invalided men and for their families. But the benefits differed in every State. Division of authority caused delays and uncertainties. In Victoria, for example, the returned soldier was dealt with by no less than nine authorities, and the State Council assisted him with money from four different patriotic funds.⁹ In the Federal Parliament, Mr. Rodgers¹⁰ and others constantly pointed to the defects in the system. At the beginning of 1917 the executive of the Trust itself urged on the Government a complete reorganisation. Its chief contentions were that the Commonwealth Government must take the full responsibility for repatriation, the State War Councils¹¹ being retained, but subordinate to a central Federal authority. The Prime Minister held similar views, and, at a conference held in January, 1917, the State governments agreed, subject to their controlling land settlement.

⁹ See articles by Hon. F. Clarke in *The Argus*, 19-20, Feb., 1917

¹⁰ Hon. A. S. Rodgers. M.H.R., 1913/22, 1925/29, Acting Minister for Repatriation, 1920/21, Minister for Trade and Customs, 1922/23. Grazier, of Horsham, Vic.; b Geelong, Vic., 20 March 1875. Died, 4 Oct., 1936

Accordingly on the 5th of April, 1917, Senator Millen was charged with responsibility for repatriation, and in August he brought down a bill by which the Soldiers' Repatriation Trust Fund was closed, and the balance of it, together with the responsibility for repatriation, was transferred to a commission—at first honorary—which henceforth, under the minister, controlled the administration. Although the State War Councils, now Federal bodies, continued for some time in such tasks as attending to necessitous cases and administering relief funds, the main burden was transferred to the minister, to the deputy-chairman (Mr. Robert Gibson¹¹), to the controller (Major Lockyer, assisted by Mr. Gilbert), and to boards in each State, operating directly under them. As for the trust fund, in spite of the most unfavourable circumstances attending its collection, over £110,000 had been given by the public. It had also been credited with the profit of the British official war films shown in Australia (£9,131). Thus with the Government subsidy, interest, and smaller items, the collection had totalled over £400,000. Of this the State War Councils had lent or granted to ex-soldiers or their dependants £80,085 for furniture and fittings, £15,802 for tools, etc., £52,603 for establishing small businesses, £68,167 for general farming purposes, and £43,856 for the provision of homes. A balance of £97,120 was passed to the control of the new commission.

The experience of the War Councils in establishing soldiers or their dependants in small businesses was not encouraging. Large numbers wanted this assistance, probably imagining that it would give them independence, which, in the reaction to war service, they generally desired; but large numbers, after struggling for a while in business, failed. Nevertheless, by far the greater part of the amounts advanced from the fund was, in time, duly repaid; and, with contributions and interest (amounting to £253,270) afterwards received,¹² and £1,361,905 given by the Commonwealth Government, the fund has since been used for educating and training the children of deceased or totally and permanently incapacitated soldiers. The main

¹¹ Sir Robert Gibson, G.B.E. President, Vic. Chamber of Manufactures, 1922/25; Chairman of Directors, Commonwealth Bank, 1926/34. Manufacturer; of Melbourne; b. Falkirk, Scotland, 4 Nov., 1864. Died, 1 Jan., 1934.

¹² This appears to have included the balance of certain State funds.

work of the Repatriation Commission—as distinct from land settlement and the building of homes—was, from 1918 onwards, financed from revenue.

III

Senator Millen said in submitting the Australian Soldiers' Repatriation Bill to Parliament, "We mean by repatriation an organised effort on the part of the community to look after those who have suffered either from wounds or illness as the result of the war and who stand in need of such care and attention. We mean that there should be a sympathetic effort to reinstate in civil life all those who are capable of such reinstatement." This national task could no longer be left to "undirected and uncoordinated private effort." The Commonwealth Government must be responsible.

The act, however, did not devise a scheme of repatriation; it enabled a Repatriation Department to be established, and outlined the nature of the service expected from it. The department itself would have to work out its own scheme in its own way. Under this measure the Repatriation Department commenced in April 1918, directed by seven honorary commissioners, under the chairmanship of Senator Millen.¹³ The commissioners were Mr. R. Gibson, Sir Langdon Bonython,¹⁴ Lieutenant-Colonel Owen,¹⁵ Mr. Grayndler,¹⁶ Mr. Moorehead,¹⁷ Mr. Sanderson,¹⁸ and Lieutenant-Colonel Semmens.¹⁹ The first report of the department shows that in the beginning the commissioners had to grope their way towards the creation of a system, and the solution of the many

¹³ On 28 September, 1917, his portfolio was given the title of Ministry for Repatriation.

¹⁴ Hon. Sir Langdon Bonython, K.C.M.G. M.H.R., 1901/6. Newspaper proprietor; of Adelaide and Mt. Lofty, S. Aust., b. London, 15 Oct., 1848. Died, 22 Oct., 1939.

¹⁵ Lieut.-Col. R. H. Owen, C.M.G. Commanded 3rd Bn., A.I.F., 1914/15. Of Wollongong, N.S.W.; b. Wollongong, 7 Jan., 1862. Died, 5 April, 1927.

¹⁶ Hon. E. Grayndler, O.B.E. General Secretary, Aust. Workers' Union, since 1912; M.L.C., N. S. Wales, 1921/34 and since 1936. Of Canterbury, N.S.W.; b. One Tree Hill, Mt. Victoria, N.S.W., 12 Oct., 1867.

¹⁷ H. P. Moorehead, Esq., O.B.E. Chairman, State Repatriation Board, Victoria, 1920/27; Trustee, A.I.F. Canteens Funds Trust, 1920/29. Journalist; of Hawthorn, Vic.; b. Hawthorn, 1892. Died, 28 Sept., 1929. (As a result of wounds received at Anzac while serving with the 22nd Bn., he lost his right arm and leg.)

¹⁸ Sir John Sanderson, K.B.E. Merchant, of Melbourne, b. Brie Brie, Glen-thompson, Vic., 26 Dec., 1868.

¹⁹ Col. J. M. Semmens, O.B.E., V.D. Commanded 6th Bn., A.I.F., 1914/15; Chairman, Repatriation Commission, 1920/35. Of Rushworth and East St Kilda Vic.; b. Rushworth, 16 May, 1868. Died 17 June, 1937.

unforeseen problems which presented themselves. "There was no blazed track, and even in the older belligerent countries the problem of repatriation had fallen with equal suddenness," so that nothing was to be gleaned from experience elsewhere. The commissioners were assisted by the fact that Mr. Gilbert had played an important part throughout in devising solutions; but they lacked the assistance which a staff of trained public servants could have given in the work of organisation and administration. No less than 98 per cent of the staff consisted of returned soldiers, and very few of these possessed the kind of experience required. It was proper that the services of returned soldiers should be utilised as far as possible, and peculiarly appropriate that they should be drafted into this department, but most of them had everything to learn about administrative work, and that work was in this instance the more difficult because it was in a fresh and unexplored field.

In setting the machinery in motion the commissioners were fortunate in securing as comptroller Mr. Nicholas Lockyer, one of the most experienced administrators in the Commonwealth, the bearer of a name of honourable distinction in the history of Australia. He was the son of that Major Edmund Lockyer who founded the first settlement in Western Australia, the Albany settlement, in 1826, and who in the year before that memorable event had explored the Brisbane River for 150 miles. After a career in the public service of New South Wales, Lockyer was transferred to the Commonwealth service, where in the course of a few years he became the permanent head of the Department of Trade and Customs, and was later a member of the Inter-State Commission. It was at the cost of no small personal sacrifice that he undertook this new responsibility, to which he devoted himself with unsparing energy and an ability born of extensive knowledge till June 1918, when he handed over the comptrollership to Mr. Gilbert. Mr. Lockyer, with Mr. Gilbert, Sir Robert Gibson (afterwards Chairman of the Commonwealth Bank) and Lieutenant-Colonel Semmens, laid the foundations of the department on lines so sound that when a change was made in the method of administration, under Act of Parliament, their successors in their first report acknowledged that there was "no occasion



62. A RETURNED SOLDIER MEETING HIS FAMILY AT RANDWICK MILITARY HOSPITAL, SYDNEY

(See also Vol. XII, plates 726-29)

Photo by 'The Sydney Mail'

To face p 834



63 A SOLDIER'S HOME—EARLY TYPE

A party of journalists who in 1917 assisted to provide a soldier's home at French's Forest, near Sydney. The house in the background was built by a party of voluntary workers from Leitchhardt.

for any radical or even substantial modification" in the provisions. It may even be said that the methods adopted in Australia were not without their effect upon those of Canada and New Zealand.

By June 1920 the department was able to report that it had placed 108,949 returned soldiers in employment, and that in the vocational training section 5,198 had completed training; 8,077 were undergoing preliminary training in schools or universities; 6,129 were completing their training with employers; 1,254 were waiting to commence school training, 650 had completed school training and were ready to be placed with employers; 7,473 were receiving efficiency courses in their own time, the department merely paying fees and providing books and instruments; and 1,442 had finished such courses.

The commissioners appointed six state boards with six deputy-comptrollers. The boards comprised forty-two members, and co-operating with them were local committees covering the whole Commonwealth. There were, in 1919, 800 of these local committees, whose members voluntarily served to help the returned men.

As the magnitude of the work of the commission expanded, it was seen that it was too heavy for a body of honorary commissioners, and the returned soldiers' organisations pressed for amendment. Mr. Hughes promised that a new commission should be established, that one at least of its members should be an ex-soldier, and that it should administer not only repatriation but war pensions. By an amending act of 1920, therefore, the Government appointed a new board of three salaried commissioners, Lieutenant-Colonel Semmens, chairman, Mr. Ashley Teece,²⁰ and Lieutenant-Colonel Barrett²¹

The scheme of the Repatriation Trust had excluded from its benefits returned men who either were considered to have adequate resources or had not received an honourable discharge. But the 1918 commission had decided to set no

²⁰ A. H. Teece, Esq., M.C. Chaplain, A.I.F., 1915/16, Member of Repatriation Commission, A.I.F., 1920/26; Secretary and Superintendent of Melbourne Hospital, 1926/31. Of Norwood, S. Aust., and Melbourne; b. Sydney, 24 July, 1879.

²¹ Lieut.-Col. J. E. Barrett, O.B.E., 3rd L. H. Regt., A.I.F. Deputy Comptroller, Dept. of Repatriation, S. Aust., 1918, Victoria, 1919, Inspector (all States), 1920; Commissioner under Repat. Act, 1920/23; Deputy Commissioner, N.S.W., 1923/38. Accountant and storekeeper; of Port Pirie, S. Aust.; b. Goolwa, S. Aust., 22 Feb., 1874.

limits on the right of Australian soldiers to apply—and "soldier" was defined by the act to mean any Australian man or woman who had served in the military or naval forces of any part of the Empire, provided they could prove that they were domiciled in Australia. The commission further decided that its task was to

accept as a minimum obligation the responsibility of providing the returned soldier with the opportunity for earning at least a living wage, and that until such opportunity is forthcoming such sustenance payments will be made as will insure the individual receiving at least the living wage. Further, that, as far as possible, the department will assist in restoring the individual to an economic condition comparable with that occupied prior to enlistment.²²

The scope of the work of the Repatriation Department, from its inception, included the provision of sustenance for the returned soldier while awaiting employment; sustenance while undergoing training; sustenance while under medical treatment; sustenance while awaiting the allotment of land and during the initial period of land occupancy; medical treatment for war injuries, including the provision of artificial limbs and other surgical aids; emergency grants to cover exceptional necessities; payment of fees to educational institutions; tools of trade, professional instruments, and personal equipment; the purchase of small businesses, plant, and live-stock; the provision of war service homes; payment of passages to and from the Commonwealth; transportation within the Commonwealth; allowances to dependants; and funeral expenses. The sustenance for a single man while waiting for suitable employment was £2 2s. a week, and for married men up to £3 6s., and provision at least as ample was made for men in training, and was additional to any pension. Largely through the effort of Sir Robert Gilson a great additional responsibility was undertaken by the extension of training facilities to young soldiers—that is, to those who had enlisted under twenty. It was felt that these had missed the opportunity of receiving technical or other training, and the commission undertook to provide it for them. Sustenance was even given to childless widows who wished to qualify for a definite calling. On application from soldiers who had married or become engaged oversea, the passage money of the wives or fiancées was advanced, the

²² The living wage was understood as "that judicially fixed or generally recognised for the part of the Commonwealth in which the soldier may happen to be. . . ."

soldier undertaking to refund the money if the marriage did not take place within a month of the girl's arrival. Some 14,000 passages were thus granted by June 1920. Soldiers who were married or who contemplated marrying were also lent up to £35 for furniture.

In the carrying out of their duties, the Repatriation authorities had not merely to maintain hospitals and convalescent homes in every part of Australia, but also, in each State, a factory of artificial limbs, the Defence Department, which originally undertook these duties, transferring its hospitals and factories.²³ The commission had also to establish schools for vocational training; 74,343 soldiers applied for training and efficiency courses in these and other establishments, and 27,696 completed their training. The greatest problem was to find a sufficient number of "light labour" positions to serve as an introduction to more strenuous labour later on.²⁴ In a report on the scheme in 1927, Mr Nangle,²⁵ who had served as Director of Vocational Training, says that the scheme was made possible only by the generous help of employers and employees.²⁶ He also notes the amazing rapidity with which some of the returned men learnt their work. A great variety of trades and occupations, in which returned soldiers were instructed—ranging from show-card and ticket writing, and poster drawing to wool classing and boat building, 179 categories in all—is listed in the report of the comptroller for 1920, and the report for 1921 shows that £3,258,652 had then already been spent on this branch of the work.

IV

It had not originally been intended that the Repatriation Department should administer war pensions,²⁷ but actually it

²³ The artificial limb factories were established by an American expert under the Defence Department in all capitals except Hobart. The commission afterwards started works in Hobart.

²⁴ Extreme cases were those of the man who "would like to be taught to watch the roses grow in the Botanical Gardens," and the other who said he would "like a job like Mr. Hughes." "It is only fair," says a report, "to say that these were exceptions."

²⁵ J. Nangle, Esq., O.B.E. Superintendent of Technical Education, N. S. Wales, 1914/33. Govt. Astronomer, N.S.W., since 1926; Director of Vocational Training, Repatriation Dept., 1919/23. Architect and astronomer; of Sydney; b. Newtown, N.S.W., 28 Dec., 1868.

²⁶ Immense assistance was given by leaders both of labour and of industry. The efforts of Mr. William Morby in New South Wales, of Mr. W. F. J. Fitzpatrick in Victoria, and of Mr. A. McCallum in Western Australia are mentioned as typical in enabling the great task to be carried through smoothly, so far as the industrial conditions were concerned.

²⁷ It had, however, been foretold by Mr. Joseph Cook in Parliament in 1916.

was scarcely possible to keep them apart, and the reorganisation in 1920 made for efficiency and economy. "The payment of pensions for war disabilities," as the commissioners said in their 1921 report, "was closely allied to the medical treatment which the pensioner was likely to be in need of, and it was in response to the representations of the great body of soldiers that the amalgamation of the two administrations was effected."

War pensions came under the control of the department as from the 1st of July 1920. The war pensions system which the commission took over was instituted in December 1914. The original suggestion—that the care of men injured in the war and of their dependants should be provided through patriotic funds²⁸—had been rejected, and Parliament passed an act which provided that a pension should be paid for the term of his life to any person incapacitated through service, during the war, in the Commonwealth military or naval forces; and a pension (of half the amount) to the wife of such person; and a pension to the widow of any soldier or sailor who had met his death in the war; and to children up to the age of 16. In case of partial incapacity, the amount of the pension was to be determined by a board. The 1914 act was amended by acts passed in 1915, 1916, 1920, and 1922. None of these amendments made deductions in the amount of the pensions, but the allowances to be paid in special cases were increased and the meaning of "dependants" enlarged. Pensions for partial incapacity are reviewed from time to time by the board, but it was said in Parliament that the Australian pensions' scale was the most liberal in the world, and that claim can scarcely be disputed. Until the Financial Emergency Act of 1931, any soldier who married—even twelve years after the war—had the assurance that, if he suffered from war injury, his wife and children possessed the same rights for compensation as did those of a soldier married before the war. As has happened in other systems of war pensions, the total annual payments quickly became much heavier than had been envisaged when the original act was passed.²⁹ On the 30th of June, 1921, the war pensions current numbered 222,537; in 1926, 252,609; in 1931, the peak year, 283,322. During 1931,

²⁸ See p. 699.

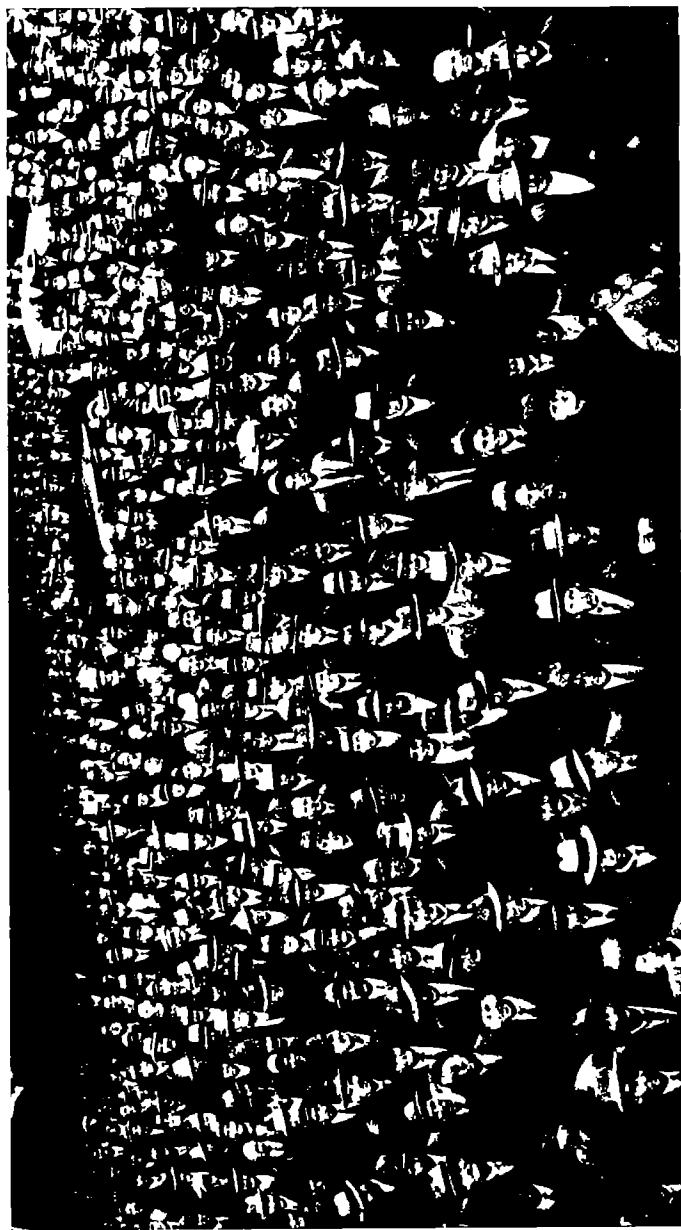
²⁹ This subject will be dealt with in the *Official History of the Australian Army Medical Services, Vol II.*



64 TWENTY YEARS AFTER

Victorian soldier settlers in conference, 17th July, 1934

Photo by The Star, Melbourne



65. RETURNED SOLDIERS IN PERTH AFTER A MASS MEETING CONCERNING PREFERENCE IN EMPLOYMENT, 28 JUNE 1931
To face p 839
Photo by Illustrations Ltd., Perth

although 9,328 pensions were ended (2,336 through death, and the remainder by cancellation or discontinuance), 11,555 were granted⁸⁰—1,057 to ex-soldiers and 10,498 to dependants. The annual liability for pensions gradually increased from £6,915,454 in 1921 to £7,774,806 in 1931, in which year the cost of administration was £178,249 and the number of pensioners reached its maximum, 283,322. The liability had by 1933 fallen to £6,860,516, and cost of administration to £142,667, partly through economies due to the financial crisis of those years, partly through reduction in the number of pensioners to 269,810. By 1935 this number had fallen to 264,061, but, mainly as a result of the removal of provisions of the financial emergency regulations, the total liability had increased to £7,351,188. Of the pensions then in existence, 74,998 were for soldiers, sailors, and nurses, 104,218 for children, 8,613 for widows, 57,312 for wives, 18,554 for parents, and 366 for others. Pensions at the rate of £4 weekly were being paid to 136 blinded soldiers, to 983 unable to work on account of tuberculosis, and to 1,675 others who were totally and permanently incapacitated. Decisions of the Repatriation Commission rejecting pension claims were subject to appeal to a permanent War Pensions Entitlement Appeal Tribunal, a specially appointed body all of whose members were returned soldiers.⁸¹

In addition to the expenditure on pensions, a number of hospitals and sanatoria were maintained, and treatment was provided, at home and at public hospitals, not only for ex-soldiers but for widows, widowed mothers, and orphans of soldiers.

V

The provision of homes for returned soldiers, on easy terms, had not been part of the original plan of repatriation, but was forced upon the Commonwealth Government by parliamentary and public pressure while the Repatriation Bill of 1917 was under consideration. A good deal had been done in this way in New South Wales, where "working bees" had erected many homes on Crown land provided by the state or land privately given. An extensive scheme had also been undertaken in South

⁸⁰ 920 claims were rejected during the year.

⁸¹ Two collateral tribunals decided appeals concerning assessment.

Australia. The Repatriation Trust had not possessed the money for such a scheme, but had nevertheless helped by joining the state savings banks in advancing money for the purchase of homes. The Government of New South Wales had gone furthest in this direction also.³² Senator Millen, when he assumed office, thought that the expense of a Federal home-building scheme would be greater than the country could bear. But the Government came to the conclusion that the housing problem was sufficiently difficult to justify acceptance of the policy of enabling every returned soldier or war widow to become possessed of a house, for the building of which capital would be provided at a low rate of interest, with repayment terms suited to the financial capacity of the applicants. Senator Millen himself, as Minister for Repatriation, introduced the War Service Homes Bill in 1918, shortly after the Armistice, making the frank admission that it was impossible to estimate how many soldiers would desire to obtain homes in this manner, or what the capital expenditure would be. The administration of the measure was entrusted to a War Service Homes Commissioner, and Lieutenant-Colonel Walker,³³ who had experience as a builder and contractor, was chosen for the position.

Under the War Service Homes Act the persons who were eligible to apply for assistance were returned soldiers or sailors who were married, or about to marry, or who had dependants for whom it was necessary to provide homes; or any soldier's widow, or the mother of a deceased soldier who had been dependent upon him before his enlistment, or who was a widow, or who, if she had a husband, was not supported by him owing to his incapacity.³⁴ The commissioner was empowered to purchase land, and to build for applicants, or to furnish them with the means to build for themselves, up to a value of £700 for each house and the land upon which it stood. Or an advance might be made to permit an approved applicant to buy a house, or to enlarge one, provided the maximum amount

³² The village of Matraville, carefully planned, on Crown lands near Maroubra, south of Sydney, was the chief example of these efforts.

³³ Col. J. Walker, D.S.O., V.D. Commanded 25th Bn., A.I.F., 1915/16; War Service Homes Commissioner, 1919/21. Master builder, of Sydney and Brisbane; b. Laurencetown, Co. Down, Ireland, 16 Aug., 1863.

³⁴ The Australian munition and war workers who served in Europe, Y.M.C.A. employees with the A.I.F., and certain others were also given the benefit of these provisions.

in any case did not exceed £700. This maximum was soon afterwards increased to £800, and afterwards, in certain cases, to £950.

These properties, with minor exceptions, were acquired by ex-soldiers without any deposit being demanded, and a payment of 5 per cent on the capital advanced covered interest and an addition of, roughly, 1 per cent provided for repayment.⁸⁵ By the end of June, 1920, the commissioner under the Commonwealth act had approved of 11,373 applications. By 1935, 42,105 applications had been approved, and 21,223 houses built. In addition, the commission had purchased on behalf of eligible applicants 12,934 already existing houses, and had taken over the mortgages on 2,650. The total number of homes provided was 36,807; and it is a striking fact, testifying eloquently to the character of the returned soldiers who availed themselves of this measure of assistance, that, in spite of the financial crisis recently experienced, only 5.46 per cent of repayment arrears were due on the 30th of June, 1935.

VI

The settlement of returned soldiers on cultivable land was one of the most ancient policies of governments after wars. The Roman *coloniae* were to a large extent founded by men who had fought under the command of the great war leaders of the republic. In the modern world the agricultural conquest of Algiers by France was furthered by Marshal Bugeaud's interesting experiment with his *légions colonisatrices*. Large numbers of British soldiers were settled on confiscated lands in New Zealand after the Maori wars. It has been so in many countries during many ages. The Australian States needed more settlers; and it was appropriate that the men, who had fought in a war which was vital to the Imperial system of which Australia formed part, should be assisted to acquire and put to profitable use such lands as could be made available for them. South Australia was the first to grapple with the problem of the soldier settler, the Government of Mr. Crawford Vaughan in that State having been stimulated to action in 1915 by the example set in New Zealand, where the Premier, Mr. Massey, himself a practical farmer, secured the passing

⁸⁵ By 1934, with the general lowering of interest in the monetary crisis, the rates had been reduced, the interest rate falling to 4 per cent.

of an act authorising the acquisition of crown lands by soldiers on very favourable terms. The South Australian act was, indeed, for the most part a copy of the New Zealand legislation. The administration was entrusted to a Land Board, which was empowered to grant financial assistance and facilitate settlement on leasehold land. In Victoria, where the question of soldier settlement was seriously considered in 1916, the Council of Agricultural Education wisely pointed out that successful cultivation involved training, and that mistakes would probably be made if large numbers of soldiers were provided with areas of land without the theoretical and practical knowledge which was necessary to enable them to thrive.

In the report of Mr. Watson, assisted by Mr. Gilbert, on which the system of land settlement eventually adopted was founded, this point was strongly stressed.³⁸ The authors observed that the States possessed the necessary machinery for land settlement, and were consequently better equipped for carrying out a policy than was the Commonwealth; and they insisted that between £10,000,000 and £20,000,000 would probably be required to enable them to achieve success. "We have no hesitation in recommending," said the sub-committee of the Federal Parliamentary War Committee, which in February 1916 laid the scheme before the Government, "that the actual work of making advances to the settlers should be left to the States, which have both the experience and the machinery necessary for the success of the undertaking, and some of which possess land of their own." It was also cautiously pointed out that the important matters about soldier settlement would be first a careful selection of applicants, and secondly a period of probation with farmers or horticulturists in the case of those soldiers who were attracted to a country life but were without practical experience. The main principles laid down in this valuable report were that the Commonwealth and the States should co-operate for the settlement of returned soldiers on the land; that the provision of land should be left to the States; that the Commonwealth should provide loans to the States to enable advances to be made to the settlers; that the State Governments should be invited to liberalise their conditions relating to repayments by

³⁸ *Paper No 299, Commonwealth Parliamentary Papers, 1914-15.*

settlers with a view of meeting the special case of the soldiers; that provision should be made for the establishment of training farms; and that every encouragement should be given to the efforts of private individuals to assist in the task of placing returned soldiers on the land.

This report was laid before a conference of representatives of the Commonwealth and State Governments, held in Melbourne in February 1916, under the presidency of Senator Pearce. A useful piece of information, supplied by Mr. Watson, was that a preliminary questionnaire had been circulated among the soldiers in the various camps in Australia, asking whether they would, when discharged from the army, like to settle on the land. Of 30,000 cards which had been analysed at this time, 5,400 signatories expressed a wish to do so; of these, 3,300 had had previous agricultural experience, and about 700 possessed resources. Mr. Watson, however, was of opinion that it would ultimately be found that about 40,000 soldiers would at least make the experiment of settlement. The answers from soldiers at the front were not received until some months later. Although the response was not altogether satisfactory, many youngsters treating the inquiry as a chance of exhibiting their humour, it appeared by August that about a quarter of those who replied intended to go on the land. When, later, the figures were announced, it was found that, of 139,473 who replied, 35,680 wanted to go on the land, and that only 21,097 of these had farming experience. The impressive feature was the numbers of town dwellers who, from their life at the front, had acquired a longing for rural pursuits.

The question as between the Commonwealth and the State Governments at this conference was, what proportion of the cost of land settlement should be borne by the farmer, and how much by the States, which, if the policy were successfully managed, would greatly benefit therefrom. Some of the soldier settlers, probably many, would, however, be failures as farmers. Should the Commonwealth or the States bear the loss in such instances? The Commonwealth was very anxious to avoid adding to the already enormous burden of war expenditure which would fall upon its financial resources. The States maintained that provision for the soldiers was distinctively a

Commonwealth matter. After much debate a working agreement was arrived at, the basis of which was that loans to settlers for land-settlement purposes would be advanced at rates of interest not exceeding $3\frac{1}{2}$ per cent in the first year, increasing by $\frac{1}{2}$ per cent each subsequent year to the full rate of interest at which the money was raised, plus working expenses; the difference between these rates of interest and the cost to the Government being borne equally by the Commonwealth Government and the State Government in each instance. This basis of agreement was a modification of a proposal which had been submitted by Mr. Theodore, the Treasurer of Queensland. Senator Pearce accepted this arrangement in behalf of the Commonwealth, and it became substantially the financial basis of the plan by which soldier settlement was managed.

But difficulties were not ended by this arrangement; they were only beginning. The whole subject of soldier settlement is too large for adequate consideration in this book. A whole volume would be required to explain its complicated details. The circumstances and requirements of the States differed. The Commonwealth wished to have more control over money which it provided to the extent of millions of pounds, while the States would not allow that the Commonwealth had any right to intervene in regard to the settlement of their lands. When the Commonwealth appointed a Soldiers' Settlement Board of Australia,⁸⁷ in 1917, the Premier of Queensland looked upon it as a piece of machinery for enabling the Commonwealth to interfere with the sovereign rights of the States, and the board had to be disbanded. Land settlement was, in itself, essentially a State matter; but finding the money for this particular effort at land settlement was a Commonwealth matter. In vain did Senator Millen, at a conference in 1918, urge that, as the Commonwealth had to share the loss involved in soldier settlement, it ought to be consulted in matters of land policy. The States would not admit that it had such rights.⁸⁸ From the Commonwealth point of view, soldier settlement without some approach to uniformity of method and centralised control meant pouring millions into channels beyond its supervision. But soldier settlement in all the States had

⁸⁷ Consisting of a Commonwealth Minister and one from each State.

⁸⁸ The Commonwealth was, of course, supreme in its own small territory at Canberra, where a small number of soldiers were settled.

now advanced to such an extent that the Commonwealth Government could not cry halt; it was compelled to permit the States to go their own way and finance their requirements for this difficult mode of repatriation.

Almost from the first it was evident that the £500, which, it was understood, the Commonwealth would be ready to advance for every settler, was too small a sum. The States, indeed, at the conference held in 1918 amid the great outburst of enthusiasm occasioned by the Armistice, pushed their advantage; and the Commonwealth Government now agreed to provide money for advances to soldier settlers to the extent of £625 each; also to finance the States in the resumption of private estates for soldier settlement; and to finance public works carried out by the States to enable lands occupied by soldier settlers to be better developed. This was simply opening opportunities for States which were so disposed to use Commonwealth finance for any public works deemed desirable. on the plea that they were required to assist soldier settlers to prosper; that plea might be in part true, but not the whole truth as to the reason for entering upon the works. The States actually foreshadowed requirements costing £74,000,000; but the Commonwealth stood fast on a limit of £1,000 per settler. By the 30th of June, 1924, it had advanced £35,001,941 on account of 36,310 soldier settlers. Since then the numbers settling have increased to 37,561, but no more has been advanced by the Commonwealth. Of these settlers, 26,591 remain on the land. As had been foreseen, a proportion of settlers were not suited for the work. The advice of Mr. Watson, that all except experienced men should be tried out first at training farms, was not followed by the States. Moreover many were set to face tasks, financial or agricultural, in which the most experienced farmer could not have succeeded. Land—not always profitable—and stock were bought for them at the very height of the market, and they were expected to pay interest on them when the market fell. In 1927 their plight was so serious that Mr. Justice Pike³⁹ of the Land Valuation Court of New South Wales was commissioned to report on the losses and the means of dividing them between

³⁹ Hon. Mr. Justice G. H. Pike Judge of N. S. Wales Land and Valuation Court, 1922/36. Of Summer Hill, N.S.W.; b. Hobart, 25 May, 1866.

the Commonwealth and States. He reported in 1929 that the gross loss was £23,525,522, and the Commonwealth and States respectively agreed to bear half.

Many areas exist throughout Australia to-day on which Australian—and not a few British—soldiers still work side by side with their old mates of the war. One of the largest is at Griffith in the Murrumbidgee Irrigation Area in New South Wales, where over 700 soldier settlers remain, largely occupied in growing oranges. But a complete account of soldier settlement would require as many chapters as there are States.⁴⁰

The reports of the departments concerned show that the aggregate financial provision by the Commonwealth for gratuities, pensions, general repatriation benefits, land settlement, housing, and various special benefits for the men who served in the Great War and for their dependants amounted, at the 30th of June, 1935,⁴¹ to about £238,000,000. Of this, repatriation (general) accounted for £20,240,901⁴²; war pensions, £125,633,275; war service homes, £28,890,655; land settlement, £35,001,941; war gratuity, £27,504,193. The only one of these totals that was then still mounting greatly each year was that for war pensions. The expenditure on war service homes during 1934-35 was £159,724.

VII

Practically the whole of the before-mentioned instrumentalities relating to repatriation were met by inroads upon the public purse; but the one now to be considered has—so far as the Commonwealth is concerned—been largely supported by funds voluntarily given. This is the scheme for educating the children of those soldiers who were unable themselves to discharge that duty.

⁴⁰ Mr. L. J. Pryor has worked out the history of the six States' efforts and methods in the thesis previously cited.

⁴¹ The total here shown in respect of war service homes, however, is to 28 Feb., 1935, and those for land settlement and war gratuities are to 30 June, 1934.

⁴² It is worthy of note that, of £1,909,384 advanced to returned soldiers for furniture, establishment of businesses, and similar purposes, it had only been found necessary to write off £257,342; of the remainder of that sum only £33,541 was outstanding on 30 June, 1935.



66. MAJOR (LATER SIR NICHOLAS) LOCKYER, COMPTROLLER OF THE
REPATRIATION DEPARTMENT, 1917-18

Photo by Broothorn, Melbourne

To face p 346.



67. HON. SIR SAMUEL MCCAUGHEY, AUTHOR OF THE MCCAUGHEY
TRUST AND OTHER BENEFACCTIONS

Photo by Freeman & Co. Sydney

To face p. 347.

The Repatriation commissioners estimated in 1921 that there were in Australia 11,791 children whose fathers either had lost their lives or had been totally and permanently incapacitated through the war. In order that, at an age at which a father's guidance is most necessary, these children should not be without paternal care, the commissioners, with the sanction of the Commonwealth Government, arranged that soldiers' children education boards should be established in each state and charged with the guidance of these children as regards their secondary or technical education from 13 years of age onwards.

The scheme was drawn up by the Directors of Education in New South Wales and Victoria, Messrs. Board⁴³ and Tate. Under it, the duty of the boards was to ascertain, if possible, the career for which each child was suited, and to control the remainder of its education so as to qualify it for that career. The boards were to assist to this end, not by paying tuition fees, but by making an allowance for the maintenance of the children so long as they are under their control.

On these lines the work still continues. Most of the children remain at school until the age of 15½,⁴⁴ and the boards then endeavour to find suitable places for them, and furnish allowances to supplement their wages. No child is allowed to enter a dead-end occupation—it must at least be one in which manual skill is required. Many, however, are maintained at secondary schools and a proportion at the universities.⁴⁵ The work has largely been entrusted to leaders, or former leaders, in the state educational systems, who have endeavoured to exercise a personal, and not merely departmental, control. The president of the New South Wales organisation (Mr. Board), for example, tells of a soldier's daughter, aged 20, who lately sought the permission of her guardian to marry. The guardian insisted that the president of the board be consulted. "I insisted on seeing the young man," Mr. Board says, "and, having seen him, I advised her not to marry him on any account. She did not; and now she is glad."

⁴³ P. Board, Esq., C.M.G. Under-secretary and Director of Education, N.S. Wales, 1903/22. *Of Lcura*, N.S.W.; *b. Wingham*, N.S.W., 27 March, 1858.

⁴⁴ Receiving an allowance of 10s. weekly, or £1 if they have to attend boarding schools or live away from home.

⁴⁵ The allowance for those at the universities is up to £2 10s. weekly.

It was at first estimated that less than 12,000 children would have to be assisted, and that the cost to the Commonwealth Government would, by 1942, amount to £1,250,000. But the number of soldiers likely to die during the years immediately following the war was much underestimated, and this amount has already been exceeded. The cost has been met from the Australian Soldiers' Repatriation Fund, into which, in addition to some £250,000 privately subscribed, the Commonwealth Government had paid (to 30th June, 1935) £1,361,905. Nearly 17,000 children had benefited of whom over 4,000 were still being cared for. Of these, 1,556 were serving apprenticeships or being otherwise trained in industry; 46 were training for agriculture; and 189 for the professions.

But the commission's provision was only partial. It extended only to the maintenance of children; the boards were not permitted to pay tuition fees. Nor did it extend to all children of totally incapacitated soldiers and dependants. For these and certain cognate services there were, fortunately, available two other sources of assistance. First, schools and other institutions, public and private, readily abated their fees and in many cases made no charge to such pupils; and, second, there existed another fund, which, though it eventually amounted to over £1,300,000, did not receive a penny of Government money for its endowment, and was administered with brilliant competency by a first-class comptroller and a purely honorary board of trustees. This shining example of great work performed as service for a noble cause was the operation of the A.I.F. Canteens Fund, with which was combined the direction of the Sir Samuel McCaughey bequest for the technical education of the children of soldiers.

This important trust originated as follows. Early in 1915 the Minister for Defence, Senator Pearce, directed his attention to the management of the canteens which were of necessity established in all military camps, both in Australia and abroad, and in all troopships. It was obvious that canteens which handled a very great quantity of goods required by soldiers would have to be capably managed. They were not required

to make substantial profits, but they must be conducted so as to cover working expenses, with a little margin. The Minister determined to place the canteens under separate control, and for this purpose the whole of them were divided into three sections; (a) canteens within Australia, those on troopships, and those in camps for prisoners-of-war; (b) canteens in the United Kingdom, France, and Belgium; and (c) canteens in Egypt and Palestine. The British canteens in France were so capably organised and managed that no separate A.I.F. canteen system was established there, but the British authorities agreed to give Australia a share in the profits which the custom of Australian soldiers helped to provide. With this proviso the control of the three sections was placed under a single official. In a moment of happy inspiration, the Minister, in December 1915, offered this post to Mr. Nicholas Lockyer, a public servant of extraordinary administrative capacity whose work in helping to initiate the organisation of the Repatriation Department has already been chronicled. Lockyer accepted the responsibility as an honorary one, which, being the public-spirited man he was, he was glad to perform as an act of service for the benefit of the men whom he so greatly admired. The work became the principal interest in his life and, despite infirmities associated with advancing years, he conducted it with splendid efficiency until his death in 1933.

Although the Australian canteens had not been conducted with a view of making profit, sound business management had been exercised, and, as explained in the report of the controller for the year 1924, "the constant risks of loss, the need for canteen buildings, and for trading capital, apart from the uncertainty in regard to future requirements, necessitated provision for cash reserves." The result was that at the close of the war the canteen funds showed a considerable credit balance. As was natural in view of the extent of their operations, much the greatest amount was the share accruing to Australia from the British canteens—£460,887. But £79,740 came from the A.I.F. canteens in Egypt and Palestine, £55,583 from the A.I.F. garrison institutes in Australia, and £29,874 from the A.I.F. Troopship canteens. The government decided to add to this the A.I.F. Regimental funds—largely the outcome of regimental canteens—£88,524, and certain

smaller amounts.⁴⁶ As a result the trustees of the canteen funds stood guard over a balance of over three-quarters of a million pounds.

This money did not belong to the Government; it belonged to the soldiers; but as it was evidently impossible to pay to the living what was partly the property of the dead, and as in any case it would have been impracticable to declare a dividend for an equal distribution amongst over 200,000 men, some of whom had contributed much to the canteen tills while others had contributed very little, the Government, after considering several proposals, determined that the money should be used for the benefit of soldiers or their dependants. The project of administering the fund through the Repatriation Department was rejected largely on the ground that that body was already overburdened. At length it was resolved that the administration should be entrusted to an honorary board assisted by state advisory committees. For this purpose the Commonwealth Parliament in 1920 passed the Canteens Funds Act, under which seven trustees were appointed. The original board consisted of Mr. Nicholas Lockyer, chairman, Mrs. Alfred Deakin,⁴⁷ Mr. George Swinburne, Major-General Sir Brudenell White, Colonel W. H. Hall, Mr. H. P. Moorehead, and the Federal President of the Returned Sailors' and Soldiers' Imperial League of Australia. The total sum, consisting of canteen profits and interest, in the hands of these trustees in 1924 was £750,137.

To this large sum was added another by bequest. Sir Samuel McCaughey was one of the best known and most successful graziers in Australia, one of those "wool kings" of the great flock, founded by John Macarthur, who clipped fortune from the backs of their millions of sheep. McCaughey died in 1919, and his will bequeathed about £450,000—which, by 1936, with interest, amounted to about £650,000—for helping returned soldiers and their dependants. He directed that £300,000 should be invested for the pastoral, agricultural, or technical education of the children of soldiers; £50,000 for

⁴⁶ Among these were £2,708 from the Anzac Hostel (Egypt) Fund, and £2,500, a residue of profits from *The Anzac Book* sales.

⁴⁷ Mrs. A. Deakin, C.B.E. Served at No. 5 General Hospital, Melbourne, 1915/19; a trustee of the A.I.F. Canteens Fund, 1919/32; trustee of Sir Samuel McCaughey Bequest 1921/34, Acting Chairman, 1933. Of South Yarra, Vic.; b. Tullamarine Vic., 1 Jan., 1863. Died 30 Dec., 1934.

providing beds in hospitals for the wives and children of soldiers; and £100,000 for special purposes, all for the benefit of returned soldiers. The trustees of the McCaughey estate in 1921 requested the trustees of the canteen funds to undertake the administration of such portions of the bequest as came well within their functions; and those trustees accordingly, in accordance with their powers under the Act of Parliament, "consented to administer that portion of the estate bequeathed for the relief of our ex-soldiers and their dependants." By 1924, through this accession of capital, the trustees found themselves responsible for £1,059,850; and, with the addition of more McCaughey money, the total amounted by 1927 to £1,358,730.

The duties of the trustees now became twofold. The canteen funds were used to relieve cases of distress among returned soldiers. Great care was taken in enquiring, through the state advisory committees, into each case submitted, and the entire cost of administration was only £1 13s. 8d. per cent. By the 30th of June, 1932, the sum of £748,331 had been spent in relieving 49,826 cases; and in that year the trustees reported that "the canteen funds are now exhausted, there can be no further distribution, and that branch of the trustees' activities is closed."

But the McCaughey bequest was earmarked for definite purposes, and in the administration of this fund the trustees rendered valuable service of a continuous nature. The purpose of the generous donor was to enable war orphans and the children of disabled soldiers to be educated. Assistance was confined to the children of dead or totally and permanently incapacitated men; and application must in the first place be made to the Repatriation Commission's boards for assistance under the scheme already described. But the McCaughey bequest allowed the payment of tuition fees, and could also be applied to certain cases which were excluded under the official scheme. In close co-operation with the Repatriation Commission assistance has thus been made available for the training of children for trades or agricultural occupations, or for educating them at any stage between the elementary school and the university. By 1936, 12,600 soldiers' children had been educated or were in course

of being educated from the McCaughey trust money, and it was calculated that, within ten more years, 6,500 others would be benefited, very many of them being assisted by the trustees in co-operation with the Commission. Like the Commission, the trustees made a special endeavour to equip the children for the vocations for which they showed themselves best fitted. "In guiding a boy or girl to a particular course of training, care is taken that it may be found appropriate to the natural bent and intelligence of the child, and also to greatest advantage as a future means of livelihood. If, however, it is found later on by the school reports that an alteration in the character of the training is desirable, the necessary change is made." Rewards and special allowances are also made to students at agricultural colleges and technical schools as an incentive to them to attain proficiency; and the continuance of assistance in all cases depended on the progress made.

The McCaughey bequest was the most munificent gift by a single donor for the benefit of returned soldiers,⁴⁸ but a number of other liberal citizens also made generous benefactions. Mr. W. L. Baillieu and his brothers purchased a mansion in Brighton, Melbourne, to be used as a home for wounded men who were permanently incapacitated; and there were similar gifts in all States. Private beneficence was in no sense deficient in securing considerate treatment for the men of the A.I.F.

VIII

The companionship of arms, for thousands of the men of the A.I.F., was not dissolved when peace brought them back to their own country. Hence the formation of many societies of returned soldiers in all the States, some of them organised according to the corps in which the men had fought, others local or federal in their character, yet others established for particular benevolent purposes. The first societies of the kind grew out of the club rooms and recreation tents which

⁴⁸ These were only a part of Sir Samuel McCaughey's gifts. He had given in life £25,000 to the Red Cross Funds. By his will the Universities of Sydney and Queensland, the Presbyterian Church, and certain schools, etc., benefited to the extent of £800,000. Another large bequest—amounting to £120,000—for returned soldiers of New South Wales was made by Mr. German Verge, a grazier of Kempsey. He intended it to increase the Repatriation Fund for *New South Wales*, but as there was no such fund a trust was created by the Equity Court of the State.

were provided in all the capital cities for the convenience primarily of men freshly landed from the troopships. In this way returned soldiers' associations came into being in all the States. Their members found that they needed organisations to attend to their interests and hold them together as men with a common bond of attachment. Next, it was found that these state societies had similar problems to deal with, and there was difficulty in the case of those situated at a distance from the seat of government in getting grievances or exceptional cases considered by the officers of very hard-worked departments. The need for a union of the state returned soldiers associations became, therefore, a pressing one; and in June 1916 a conference of delegates decided to found the Returned Sailors' and Soldiers' Imperial League of Australia. It proclaimed such desirable objects as "to perpetuate the close and kindly ties of friendship created by a mutual service in the Great War"; to "preserve the memory and records of those who suffered and died for the nation"; to see that the sick and wounded and the dependants of soldiers were provided for; "to inculcate loyalty to Australia and the Empire"; to "guard the good name and preserve the interests and standing of returned sailors and soldiers"; and so forth—all sound and companionable objects emanating from men whose friendships had been cemented in the hardest of schools, and whose memories were vivid with pictures of stern fights and good comrades fallen in distant fields.⁴⁹

The League (conveniently known, by its initials, as the R.S.S.I.L.A.) proved a powerful instrumentality in regard to all phases of repatriation. Its historian claims that it attained its fullest measure of success in pressing for the payment of the war gratuity. But it is possible that those who study the history of post-war years will conclude that it secured even more striking and generally beneficent results in guarding and enforcing the pledge given so freely during the war⁵⁰ that those who left their employment to serve their country in the fighting should have preference in receiving employment after the war. "Preference to unionists" was a principle already

⁴⁹ Dr Loftus Hills, in *The Returned Sailors' and Soldiers' Imperial League of Australia: its Origin, History, Achievements, and Ideals*, gives a full account of the formation of this first of the important returned soldiers' associations.

⁵⁰ See, for example, pp 296 and 408.

well understood under the arbitration law of the Commonwealth, and the principle of preference to men who had fought for their country was all the more readily and generally accepted by the conscience of the nation. In regard to the Commonwealth Public Service, the league secured recognition of the principle that returned soldiers should have preference in appointments to posts for which they were qualified. Returned soldier candidates were admitted to the Commonwealth Public Service by special examination, and up to December 1933 very few non-soldier entrants had been admitted.⁶¹ Soldiers were also given preference in temporary employment in the public service, and, in general, were the last to be discharged. In at least one instance the disregard of the principle of preference to ex-soldiers evoked a storm throughout Australia and caused the reversal of a ministerial decision in circumstances which showed that the solid weight of the men of the A.I.F., years after their return to citizen life, was a political factor which could not be neglected.

Preference in the public service was also given to ex-soldiers by either statute or regulation in every State except Queensland. In New South Wales the Returned Soldiers and Sailors Employment Act, 1919, provided that preference must be given "by every employer . . . in any profession, business, or industry to a returned soldier or sailor who is capable of effectively performing the duties of such employment, is registered for employment in that profession, business, or industry . . . or applies in writing." Although the machinery provided for in this act was never established, successful prosecutions under it, and under a preference provision in the Local Government Act, have been undertaken by the league as late as 1932. A loophole in the Local Government Act, by which returned soldiers received preference "all things being equal," was blocked by a special act passed in 1935.

A result of these and similar measures has been largely to eliminate, so far as Australia is concerned, the peculiar problems of unsettlement which have followed the return of crowds of veterans from most of the great wars of history. Much unemployment of veterans has indeed occurred—conse-

⁶¹ For example, in the clerical division during the period 1919-32, of the 972 admitted to permanent appointments, 924 were returned soldiers.

quent partly upon war strain and injury, but mainly upon economic and industrial stresses. This also has been alleviated by the activity of the league, legacy clubs, and other agencies for finding employment for returned men.

The league has also shown the utmost determination in its advocacy of the principle that, to those suffering from war-injuries—and to their dependants—the war pension is not an act of generosity, but a right. The league is foremost in taking up these cases, and by constant pressure has secured regulation and administration the fairness of which usually satisfies even the exacting standards of its own officials.

An interesting result of the grant of the war gratuity bonds was the formation of co-operative ventures by returned soldiers, who used the bonds as capital. The most successful of these was the Returned Sailors' and Soldiers' Woollen and Worsted Co-operative Manufacturing Company at Geelong. The promoter of the experiment was Brigadier-General Smith,⁵² who was associated with and supported by a group of men possessing practical experience of woollen manufacture. The company consisted of 1,400 returned soldiers, who invested £60,000 from their war gratuities in shares of £20 each. As this capital proved insufficient, the Commonwealth Government was persuaded to lend the company £50,000 at 6 per cent. The business proved successful from its inception in 1922; and within ten years the company had paid off its debt and was flourishing, thanks to sound business management and competent technical direction. Another venture, which was not successful, was the Anzac Tweed Industry, which set about making cloth on hand looms in competition with one of the best organised machine-work industries in the world. When the experiment failed, severe criticisms were made by its supporters against the cloth trade, the Repatriation Department, and the Government; and the congress of the R.S.S.I.L.A. in 1919 passed a strongly-worded resolution expressing "disgust with the lack of assistance given to Anzac Tweeds by the Federal Government." But it is not apparent that the Government was unsympathetic or unreasonable in doubting whether the industry had a reasonable prospect of success.

⁵² Brig.-Gen. R. Smith, C.M.G., D.S.O., V.D. Commanded 22nd Bn., A.I.F., 1916; 5th Inf. Bde., 1917/18. Wool merchant; of Brighton and Geelong, Vic., b. Richmond, Vic., 6 Sept., 1881. Died 14 July, 1928.

The League was, in 1935, still extending, having 1,171 active sub-branches and 70,900 financial members. Another fairly strong and important organisation, first established in New South Wales, was the Australian Legion of Ex-Service Clubs, the clubs being formed largely to bring returned men together in social intercourse, but also with general aims similar to those of the league. Still another variety of soldier post-war union was typified by the legacy clubs and other clubs with different names but similar objects. The movement from which they sprang originated in Hobart in 1922, when Sir John Gellibrand⁵³ brought into being the Remembrance Club. A similar body was formed in Launceston. A Melbourne club, formed in kinship with that at Hobart, preferred to call itself the Legacy Club. Legacy clubs were afterwards established in Sydney, Canberra, Adelaide, Brisbane, Perth, Geelong, Ballarat, Bendigo, and other cities, and they were ultimately federated.⁵⁴ The objects of the Melbourne Legacy Club are:—

To preserve the memory of fallen comrades and to assist their dependants, particularly the children left without the guidance and protection of their father who sacrificed his life for the nation.

To maintain the fine spirit of comradeship and of national responsibility as displayed throughout the period of their war service.

To safeguard the good standing and the interests of ex-service men in the community, and to assist them to secure suitable employment; also by friendly help to secure their rehabilitation in civil life.

To assist in establishing a high standard of citizenship and contribute to national development.

It is realised and accepted that out of all the above, the work of the Legacy Club to benefit the children of fallen comrades is the greatest obligation and main objective of its work.

The spirit of these noble purposes needs no stressing; and it is the spirit by which the legacy clubs have been actuated throughout the years. Most of their members are men of good standing and influence. Visits to repatriation hospitals are systematically arranged, and the

⁵³ Major-Gen. Sir John Gellibrand, K C B, D.S.O., p s c. Commanded 12th Bn., A.I.F., 1915/16, 6th Inf. Bde, 1916/17, 12th Inf. Bde, 1917/18; 3rd Div, 1918/19 Chief Commissioner of Police, Victoria, 1920/22, M H R. (Denison), 1925/28. Orchardist, of Risdon, Tas.; b. "Lleintwardeine," Ouse, Tas, 5 Dec, 1872.

⁵⁴ Claude Blatchford, in *Legacy the Story of the Melbourne Club*, gives an ample account of the club's valuable activities (4983 Sgt. C. Blatchford, M M, 22nd Bn, A.I.F. Public servant; of Melbourne; b. St. Kilda, Vic., 10 June, 1889. Died 10 July, 1933)

employment committee devotes itself constantly to helping ex-soldiers to earn a living. But the peculiar object of the clubs has been to ensure that the children of soldiers who died, whether during or as a result of the war, should have as good a start in life as if their fathers were there to guide and provide for them. The work achieved in this direction has been quite beyond power of appraisal. The children—"junior legatees"—have been looked after physically, mentally, and socially, encouraged in their pride in the spirit of their fathers, trained by senior legatees in gymnasia, in field sports, debating clubs, tutorial classes, and finally placed in employment. Sydney Legacy Club alone had by 1933 thus acted as foster parent to over 600 fatherless children. They were then reaching the age at which employment had to be found for them. In some of the difficult years following the economic crisis of 1929-30, the Melbourne and Sydney clubs placed in employment every eligible boy and girl on their books. Another particularly noble work, inaugurated by public spirited citizens during the war but still carried on largely by the ex-soldier organisations, is that of Furlough House at Narrabeen near Sydney, at which wives, widows, and children of soldiers are, in many necessitous cases, given a rest and holiday at the sea-side. Soldiers' associations of all kinds also strove to secure the widespread, respectful recognition of Anzac Day, April 25th, ensured its proclamation as a statutory holiday, and watched over the mode of its celebration.

Reveille, the official journal of the New South Wales branch of the R.S.S.I.L.A., contains a list of 150 other ex-service associations in all States, with names of their secretaries and places of meeting. These are all associations of battalions of infantry and pioneers, companies of engineers, batteries of artillery, regiments of light horse, field ambulances, and similar army units. In addition to these, there existed at the same time a Returned Nurses' Association, a Limbless Soldiers' Association, a Blinded Soldiers' Association, a T.B. Sailors' and Soldiers' Association, an Australian Veterans' Club, an Australian Legion of Ex-Service Clubs,⁵⁵ and various other organisations.

⁵⁵ The Australian Legion of Ex-Service Clubs comprised in 1933 43 clubs in New South Wales, and 7 in Queensland.

EPILOGUE

THAT the war was the pivotal event in the history of Australia is beyond dispute. Older countries, built upon foundations centuries deep, might survey the vistas of years and point to many crises vast in their significance and potent in their consequences. France, Italy, Germany, whose small towns, often, were wrapped in romance and whose capitals were invested richly with unfading charm; the explosive Balkans; Turkey tottering to a doom which would not fulfil itself till the Sultanate vanished into limbo with the collapse of the Powers in whom Mohammad V so fatally confided; Russia rotten with corruption and riddled with revolution after three centuries of Romanov rule; Austria the crazy-quilt of empires—all emanated from histories teeming with great men, great tragedies, and the great forces which mould the destinies of mankind. Nations once important in their independence but fallen victims to their own follies or the aggressions of stronger Powers, emerged during this war as though it were a time of national resurrection, clamant for the re-establishment of their ancient freedom. Poland appeared again upon the map of Europe; and the snows of Australia's highest mountain, bearing the name of Poland's darling hero, might have melted for joy at the news thereof. Bohemia, extinguished since the Thirty Years War, regained that independence which the Hapsburg emperors had destroyed. Most of all Great Britain the mother of many nations and the inspiration of many more which were not of her own family, looked back over a thousand years glittering with splendours and crowded with occurrences so large and far-reaching in their import that even the Great War counted but as one of many from which she had emerged with her laurels still green and her will unshaken.

But Australia was, if of unimaginably ancient geological age, politically one of the two youngest of countries inhabited by people of European stock. Her past was, historically speaking, a matter of yesterday. She had never felt the hot blast of war upon her face. She was hardly known to exist when some of the great earth-shaking movements which have shaped the histories of nations occurred. Not an inch of the

coastline of Australia had been marked on the maps of the world when the storms of the Reformation swept over Europe. The Hollanders were piecing together outlines of the west and north coasts while the Thirty Years War raged. Dampier formed a reluctant acquaintance with her aborigines in the year when the last of the Stuart kings of England was ousted by the Prince of Orange, and made a second voyage upon these shores in somewhat more respectable circumstances just before the fateful War of the Spanish Succession broke out. The American War of Independence was at least one cause of the first move to colonise in this country. The Napoleonic wars brought a tinge of danger—no more than a tinge—when Napoleon instructed the Governor of the French colony of Ile-de-France (Mauritius), who had been pressing for supplies to “take the English colony of Port Jackson, where considerable resources will be found”; but he might as well have told General Decaen to take the moon, for his colony was being closely invested by British men-of-war, and he had no equipment for an oversea enterprise.

All these wars, and those which came later, left Australia unscathed. True, it was very important for her well-being that the enormous prestige gained by Great Britain, by sea and land, during the Napoleonic wars, enabled her to make good a claim to the entire continent of Australia—a boon to this country which could not have been secured in less advantageous conditions; but still, though to this extent the political integrity of Australia was a consequence of the success of the Mother Country in war, it remains true—and it is a striking truth, unmatched in the history of any other country—that six States had grown up here, and had been welded into a federation, without a foreign foe affecting her career even to the smallest extent.

And then, in August, 1914, came the call to arms; and the response was immediate, it was jubilant, and it was unanimous. An examination of the journals of the period does not reveal a questioning or doubtful note. The pledges given by leaders of political thought, of all schools, were firm and unequivocal. Thousands of young men offered themselves for training in the earliest contingents. The attitude of every person in

Australia whose thought found expression anywhere was, that inasmuch as the Empire was at war, and Australia, as a part of that empire, was consequently at war, it was the duty of this country to enter the war with as much vigour, as large a contribution of men, and as full an acceptance of responsibility in every sense, as was possible within her resources.

The war did not, indeed, become a party question, or a question entailing any deep severance, until the strain made demands which were admittedly severe. It would have been a happy circumstance if the unity of feeling which had characterised the early period of the war could have been preserved, but in view of the differences of opinion about policy, and attendant circumstances which were alien from Australian politics, such a result would have been wonderful to the point of the miraculous. The war thus threw parties and leaders into the melting pot and recast them in fresh moulds, with a heat more intense than had been experienced at any previous period.

Yet transcending the bitterness and fury was one emotion which blended all sections in one compact whole—pride in the achievements of the Australian soldier. From every social strata came the men of the A.I.F., and every rank in the army contained officers from the same wide variety of classes as formed their companies. A more thoroughly democratic army never fought, not even that which turned the tide of fortune for France at Valmy in 1792, after the disastrous opening of the revolutionary war, or that which Washington commanded and Paine inspired in 1776. On three occasions they voted, while German cannon were thundering at the lines, with the same facility as they would have voted had they been in their own towns in Australia: and if they had not been able to vote they would have considered that they had a grievance. For it was essentially a citizen army, hardened by training into a fighting engine which gained from the critical Marshal Foch the praise that it consisted of shock troops of the first order. A true citizen army it proved itself to be in its deepest instincts when the war was over and the time came for men to slip back into the avocations of peace.

Pride in these men went, too, with a wholesome respect for their coherency. They were of all shades of political thinking,

but they had only one way of thinking when a question arose affecting their comradeship. The war had hammered them into compactness, to which political power paid deference. But they were the most manageable of men. The dissolution of an army has ever been a problem fraught with anxieties, and there were a few uneasy moments for the civilian authorities during the weeks when the troopships were bringing back their thousands. But no mass of men at this time proved intractable to the word of advice of an officer whom they respected, as was proved on an occasion when the general affectionately known in the ranks as "Pompey" Elliott¹ calmed an irritated crowd of soldiers with a few wholesome words. Civilian witnesses saw at once how idle was the reproach that the Australian troops were ill-disciplined; and the boast that "we never go against the word of anyone with stars on an Australian shoulder-strap" sounded like a confession of faith.

Legislative evidence of the deep respect for the troops was shown in the permanent prohibition of the use of the word "Anzac" for any unauthorised purpose. Soon after this name blazed into fame, persons began to employ it for painting on garden gates and distinguishing commodities offered for sale. There were Anzac cakes, Anzac villas in the suburbs of cities, and Anzac companies would soon have sprung up like mushrooms. In England a venture in real estate, advertised as "Anzac on Sea," provided something like a passing scandal. The name was likely to become vulgarised. But it stood for memories too sacred to permit that to occur. As long as Australia was covered by the network of the War Precautions Act the prohibition was imposed by a regulation forbidding the employment of the word without the permission of the Governor-General—which, it was certain, would not be given—for any private residence, vehicle, boat, building, trade mark, trade, business, or calling.² Then, when the War Precautions Act was repealed, Parliament gave power for the continuance of the prohibition, which was effected by a statutory rule in 1921, for the "Protection of the Word Anzac."

¹ Major-Gen. H. E. Elliott, C.B., C.M.G., D.S.O., D.C.M., V.D. Commanded 7th Bn., A.I.F., 1914/16; 15th Inf Bde, 1916/19. member of C'wealth Senate, 1919/31. Solicitor, of Melbourne and Ballarat, Vic., b Charlton, Vic., 10 June, 1878. Died 23 March, 1931

² *Manual of War Precautions*, 1918 edition, p 158

The rule provided that³

No person shall, without the authority of the Governor-General or of a Minister of State, proof whereof shall lie upon the person accused, assume or use the word "Anzac," or any word resembling the word "Anzac," in connection with any trade, business, calling or profession, or in connection with any entertainment or any lottery or art union, or as the name or part of the name for any private residence, boat, vehicle, or charitable or other institution, or any building in connection therewith. Penalty £100, or imprisonment for six months, or both.

The British Parliament also, by a law enacted in December 1916, made the use of the word for purposes of trade illegal. "Anzac" thus became a rare instance of a word reserved by law against common employment.

The patriotism evoked by the war was singularly bright and pure. Australia was far removed from the scenes of conflict. Distance conferred upon her an immunity of which probably no other part of the habitable globe could have felt more sure, had she chosen to rely upon her geographical advantages. Yet there was never a moment's hesitation about the part she was called upon to play. Mr. Hughes wrote with truth that "the distance which divides us from other citizens of the Empire creates the illusion of independence"; but he hastened to add that the welfare, the very existence, of the people of the dominions is bound to the welfare of Great Britain.⁴ It was not only that dependence which was recognised when the call to arms sounded, but a warm, enthusiastic response to the magnetism of kinship thrilled the country as it had never been touched before in its most profound emotions. That evocation of patriotic feeling was good for Australian nationality as well as for the immediate occasion. The conviction that the duty of service justified the most extreme sacrifices, spiritualised the life of the people. It is a precious benefaction for a nation to possess men whom it is proud to admire—heroes who have wrestled with death in a great cause. The war gave such men to every hamlet in the land; and scarcely a place which had sent forth soldiers who shed their blood failed to commemorate their deeds by some public record of their names. The magnitude of the sacrifice was great, but its compensations were noble.

³ Commonwealth Statutory Rules, 1921. No 2 (amended by S.R. 1921 No 216).

⁴ Hughes, *The Splendid Adventure*, p. 335.

Thirty years before the war, Joseph Chamberlain, still the audacious hope of English Radicalism, but with an idealism touched by that imperial spirit which had never been absent from his political make-up, said a remarkable thing. Commenting upon the disappointment of the Australian colonies, as they were then, with the reluctance of the British Government to secure New Guinea for the Empire, he said⁵:

It does not need a prophet to predict that in the course of the next half-century the Australian colonies will have attained such a position that no Power will be strong enough to ignore them. . . . and for my part I cannot look with any confidence on any settlement which may be made in those regions in defiance of their united opposition.

In less than the period envisaged by Chamberlain the Australian Prime Minister and a colleague were taking part in the conference which settled the terms of peace after a war which shook the world. Much had happened since he was a commanding figure in British politics to change the status of the British daughter-nations; and he was no inconsiderable force in forwarding the process of change. In 1887 Lord Salisbury was hardly prepared to concede to the States represented at the first Colonial Conference the right to have an opinion of their own on imperial and foreign relations.⁶ Now they were makers of treaties affecting all the Powers. The price they had paid was too high for their claims to be ignored. And so rooted had the change of status become in the minds of the Australian people that they would have been shocked if their ministers had not taken a full part in the peace settlement. Perhaps nothing relating to the war could have conveyed so strong a sense of dominion nationality as did the fact that the Treaty of Versailles was in part the work of representatives of what were formerly called dependencies; and in Australia this international recognition of her claim to share in shaping the terms gave profound satisfaction.

No country, perhaps, nourished less of the spirit which is called "militaristic" than Australia. Chauvinism is a weed which never flourished on this soil. It is indigenous in those lands where during centuries never free from war, and the

⁵ Quoted by J. L. Garvin, *Life of Joseph Chamberlain*, Vol. I, p. 542, with the comment: "Thirty years before the Great War this is a startling passage both in its far-reaching instinct and its dauntless faith."

⁶ See Lord Sydenham, *My Working Life*, p. 72.

ever-present fear of neighbours similarly subject to panics, a psychology has been generated which is apt to manifest itself in a too-ready disposition to take offence or give it. "Running over the pages of history," said Frederick the Great of Prussia, "I see that ten years never pass without a war. This intermittent fever may have moments of respite, but cease, never." So much inherent is this war-temperament in peoples whose history on nearly every page is illuminated by the red flame of battle, that it is possible to cite by the hundred such perverted opinions as that of Moltke that "war is an essential element of God's scheme of the world." But the psychology of a people whose shores have never been scorched by war is so radically different that to them the war-spirit appears as a kind of mania.

All the more remarkable was it, therefore, that the Australian soldier proved himself to be so terribly efficient, and that the nation which sent him forth leapt with such apparent alacrity to the demands made upon it. Nevertheless, to those tall, hard, lithe men who by 1918 were veterans who "knew the game" as well as any troops in the field,⁷ war was never for a moment in danger of becoming what Mirabeau said it was to the Prussians, "a national industry." "It is well that war is so terrible," said Lee of Virginia, "or else we might grow fond of it." One never met an Australian soldier who ran any risk of that infatuation. Nor did he fight with bitterness. Did anyone ever hear an Australian soldier say anything ill-natured about the Germans? He left "mouth-fighting" for those with aptitude for it. Being in the war he fought to win, but "Fritz" was not a bad fellow to make a pal of in other circumstances.

That the war cut deep furrows is not open to doubt. It was affirmed by dependable witnesses within the last thirty years that the marks of the waggon-wheels of Major Mitchell's expedition when he made his famous journey in 1836 to "Australia Felix" were still visible in parts of the Wimmera Plains. Probably the marks of the war-chariots will still be visible in political and social life for a longer span of years.

⁷ In 1918, when American troops were going into action with Australians, an American general, addressing his men, said: "Those lads over there always deliver the goods. We expect you to do the same."—*New York Times Current History*, Aug. 1918, p. 237.

The political effects were the most deeply cut. "When the Labour party expelled its leaders," writes a shrewd observer, "it condemned itself to long wanderings in the wilderness; when the Liberal party accepted them it condemned itself to defend and even to enlarge the gains of Labour."⁸ That was one post-war furrow. The coherency of the soldiers concerning anything which impugned their spirit of comradeship was another; and the fur was easily ruffled. A certain weariness concerning even prudent measures of defence was, at all events temporarily, a third. But no war-spirit was engendered, nor was it likely to be. Australia's most heartfelt wish was to rehabilitate the stricken nations, to heal the scars of war, and to obliterate by international methods the causes which conduce to one of the worst scourges of humankind.

⁸ W. K. Hancock, *Australia* (1930), p. 229.

APPENDIX No. 1

COMMONWEALTH MINISTRIES DURING THE WAR PERIOD

COOK ADMINISTRATION

(24th June, 1913, to 17th September, 1914)

Prime Minister & Minister for Home Affairs	..	..	Hon. Joseph Cook
Treasurer	..	..	Rt. Hon. Sir John Forrest
Attorney-General	..	..	Hon. William Hill Irvine
Defence	..	..	Hon. Edward Davis Millen
External Affairs	..	..	Hon. Patrick McMahon Glynn
Trade and Customs	..	..	Hon. Littleton Ernest Groom
Postmaster-General	..	..	Hon. Agar Wynne
Vice-President, Executive Council			Hon. James Hiers McColl
Honorary Ministers	..	..	Hon. John Singleton Clemons Hon. William Henry Kelly

FISHER ADMINISTRATION

(17th September, 1914, to 27th October, 1915)

Prime Minister & Treasurer	..	..	Rt. Hon. Andrew Fisher
Attorney-General	..	..	Hon. William Morris Hughes
Defence	..	..	Hon. George Foster Pearce
Trade and Customs	..	..	Hon. Frank Gwynne Tudor
External Affairs	..	..	Hon. John Andrew Arthur (died 9 Dec., 1914) Hon. Hugh Mahon (from 14 Dec., 1914)
Home Affairs	..	..	Hon. William Oliver Archibald
Postmaster-General	..	..	Hon. William Guthrie Spence
Navy	..	..	Hon. Jens August Jensen (from 12 July, 1915)
Vice-President, Executive Council			Hon. Albert Gardiner
Assistant Ministers	..	..	Hon. Hugh Mahon (to 14 Dec., 1914) Hon. Jens August Jensen (to 12 July, 1915) Hon. Edward John Russell

FIRST HUGHES ADMINISTRATION

(27th October, 1915, to 14th November, 1916)

Prime Minister & Attorney-General	..	..	..	Rt. Hon. William Morris Hughes
Defence	..	..	..	Hon. George Foster Pearce
Trade and Customs	..	..	..	Hon. Frank Gwynne Tudor (to 14 Sept., 1916)
				Hon. William Morris Hughes (from 29 Sept., 1916)
Treasurer	..	..	..	Hon. William Guy Higgs
Navy	..	..	..	Hon. Jens August Jensen
Home Affairs	..	..	..	Hon. King O'Malley
External Affairs	..	..	..	Hon. Hugh Mahon
Postmaster-General	..	..	..	Hon. William Webster
Vice-President, Executive Council				Hon. Albert Gardiner
Assistant Minister	..	..	..	Hon. Edward John Russell

SECOND HUGHES ADMINISTRATION

(14th November, 1916, to 17th February, 1917)

Prime Minister & Attorney-General	..	..	..	Rt. Hon. William Morris Hughes
Defence	..	..	..	Hon. George Foster Pearce
Navy	..	..	..	Hon. Jens August Jensen
Postmaster-General	..	..	..	Hon. William Webster
Treasurer	..	..	..	Hon. Alexander Poynton
Trade and Customs	..	..	..	Hon. William Oliver Archibald
Home Affairs	..	..	..	Hon. Frederick William Bamford
Works	..	..	..	Hon. Patrick Joseph Lynch
Vice-President, Executive Council				Hon. William Guthrie Spence
Assistant Ministers	..	..	..	Hon. Edward John Russell
				Hon. William Henry Laird Smith

NATIONAL WAR GOVERNMENT

(17th February, 1917, to 8th January, 1918)

Prime Minister & Attorney-General	..	..	..	Rt. Hon. William Morris Hughes
Navy	..	..	..	Rt. Hon. Joseph Cook
Treasurer	..	..	..	Rt. Hon. Sir John Forrest
Defence	..	..	..	Hon. George Foster Pearce
Vice-President, Executive Council				Hon. Edward Davis Millen (to 16 Nov., 1917)
				Hon. Littleton Ernest Groom (from 16 Nov., 1917)
Repatriation	..	..	..	Hon. Edward Davis Millen (from 28 Sept., 1917)
Works and Railways	..	..	..	Hon. William Alexander Watt
Home and Territories	..	..	..	Hon. Patrick McMahon Glynn
Trade and Customs	..	..	..	Hon. Jens August Jensen
Postmaster-General	..	..	..	Hon. William Webster
Honorary Ministers	..	..	..	Hon. Littleton Ernest Groom
				Hon. Edward John Russell

NATIONAL WAR GOVERNMENT.

(10th January, 1918, to 9th February, 1923)

Prime Minister and Attorney-General	Rt. Hon. William Morris Hughes (to 21 Dec., 1921)
Prime Minister & Minister for External Affairs	Rt. Hon. William Morris Hughes (from 21 Dec., 1921)
Navy	Rt. Hon. Sir Joseph Cook (to 28 July, 1920) Hon. William Henry Laird Smith (from 28 July, 1920, to 21 Dec., 1921)
Treasurer	Rt. Hon. Lord Forrest (to 27 March, 1918) Hon. William Alexander Watt (from 27 March, 1918, to 15 June, 1920) Rt. Hon. Sir Joseph Cook (from 28 July, 1920, to 21 Dec., 1921) Hon. Stanley Melbourne Bruce (from 21 Dec., 1921)
Defence	Hon. George Foster Pearce (to 21 Dec., 1921) Hon. Walter Massy Greene (from 21 Dec., 1921)
Repatriation	Hon. Edward Davis Millen
Attorney-General	Hon. Littleton Ernest Groom (from 21 Dec., 1921)
Works and Railways	Hon. William Alexander Watt (to 27 March, 1918) Hon. Littleton Ernest Groom (from 27 March, 1918, to 21 Dec., 1921) Hon. Richard Witty Foster ¹ (from 21 Dec., 1921)
Home and Territories	Hon. Patrick McMahon Glynn (to 3 Feb., 1920) Hon. Alexander Poynton (from 4 Feb., 1920, to 21 Dec., 1921) Rt. Hon. George Foster Pearce (from 21 Dec., 1921)
Trade and Customs	Hon. Jens August Jensen (to 13 Dec., 1918) Hon. William Alexander Watt (from 13 Dec., 1918, to 17 Jan., 1919) Hon. Walter Massy Greene (from 17 Jan., 1919, to 21 Dec., 1921) Hon. Arthur Stanislaus Rodgers (from 21 Dec., 1921)

¹ Hon. R. W. Foster. M.H.A., S. Aust., 1893/1906; member of C'wealth House of Reps., 1909/28; Minister for Works & Railways, 1921/23. Farmer and store-keeper of Quorn, S. Aust., b. Goodmanham, Yorks., Eng., 1856. Died, 5 Jan., 1932.

NATIONAL WAR GOVERNMENT—*continued.*

(10th January, 1918, to 9th February, 1923)

Postmaster-General	..	..	Hon. William Webster (to 3 Feb., 1920) Hon. George Henry Wise (from 4 Feb., 1920, to 21 Dec., 1921) Hon. Alexander Poynton (from 21 Dec., 1921)
Health	..	..	Hon. Walter Massy Greene (from 10 March, 1921)
Vice-President, Executive Council			Hon. Littleton Ernest Groom (to 27 March, 1918) Hon. Edward John Russell (from 27 March, 1918, to 21 Dec., 1921) Hon. John Earle, from 21 Dec., 1921)
Honorary Ministers	..	..	Hon. Edward John Russell (to 27 March, 1918) Hon. Alexander Poynton (from 26 March, 1918, to 4 Feb., 1920) Hon. George Henry Wise (from 26 March, 1918, to 4 Feb., 1920) Hon. Walter Massy Greene (from 26 March, 1918, to 17 Jan., 1919) Hon. Richard Beaumont Orchard (from 26 March, 1918, to 31 Jan., 1919) Hon. Sir Granville de Laune Rylie (from 4 Feb., 1920, to 21 Dec., 1921) Hon. William Henry Laird Smith (from 4 Feb., 1920, to 27 July, 1920) Hon. Arthur Stanislaus Rodgers (from 28 July, 1920, to 21 Dec., 1921) Hon. Hector Lamond ² (from 21 Dec., 1921)

² Hon. H. Lamond. M.H.R., 1917/22, Asst. Minister for Repatriation, 1921/23. Journalist. of Bowral, N.S.W.; b. Berry, N.S.W., 31 Oct., 1865.

APPENDIX No. 2

STATE PREMIERS DURING THE WAR PERIOD

NEW SOUTH WALES

1913-20. Hon. William Arthur Holman.

VICTORIA

1914-17. Hon. Sir Alexander James Peacock.

1917-18. Hon. John Bowser.¹

1918-24. Hon. Harry Sutherland Wightman Lawson

SOUTH AUSTRALIA

1912-15. Hon. Archibald Henry Peake.

1915-17. Hon. Crawford Vaughan.

1917-20. Hon. Archibald Henry Peake.

QUEENSLAND

1911-15. Hon. Digby Frank Denham.

1915-19. Hon. Thomas Joseph Ryan.

1919-25. Hon. Edward Granville Theodore.

WESTERN AUSTRALIA

1911-16. Hon. John Scaddan.

1916-17. Hon. Frank Wilson.²

1917-19. Hon. Henry Bruce Lefroy.

1919. Hon. Hal Pateshall Colebatch.³

1919-24. Hon. James Mitchell.⁴

TASMANIA.

1912-14. Hon. Albert Edgar Solomon.⁵

1914-16. Hon. John Eadie.

1916-22. Hon. Walter Henry Lee.

¹ Hon. Sir John Bowser. M.L.A., Victoria, 1894/1929; Premier, 1917-18; Speaker, 1924/27. Newspaper proprietor; of Wangaratta, Vic.; b. London, 26 Aug., 1856. Died, June, 1936.

² Hon. F. Wilson, C.M.G. M.L.A., W. Aust., 1897/1901, 1904/17; Premier, 1910/11, 1916/17. Managing director; of Sunderland, Eng., and Perth, W. Aust.; b. Sunderland, 12 May, 1859. Died 7 Dec., 1918.

³ Hon. Sir Hal Colebatch, C.M.G. M.L.C., W. Aust., 1912/23; Premier, Apr./May, 1919; Agent-General for W. Aust. in London, 1923/27, and since 1933; member of C'wealth Senate, 1929/33. Journalist; of Northam, W. Aust.; b. Wolverlow, Herefordshire, Eng., 29 March, 1872.

⁴ Hon. Sir James Mitchell, K.C.M.G. M.L.A., W. Aust., 1905/33; Premier, 1919/24, 1930/33; Lieut-Governor, since 1933. Grazier and landowner; of Northam, W. Aust.; b. Bunbury, W. Aust., 27 April, 1866.

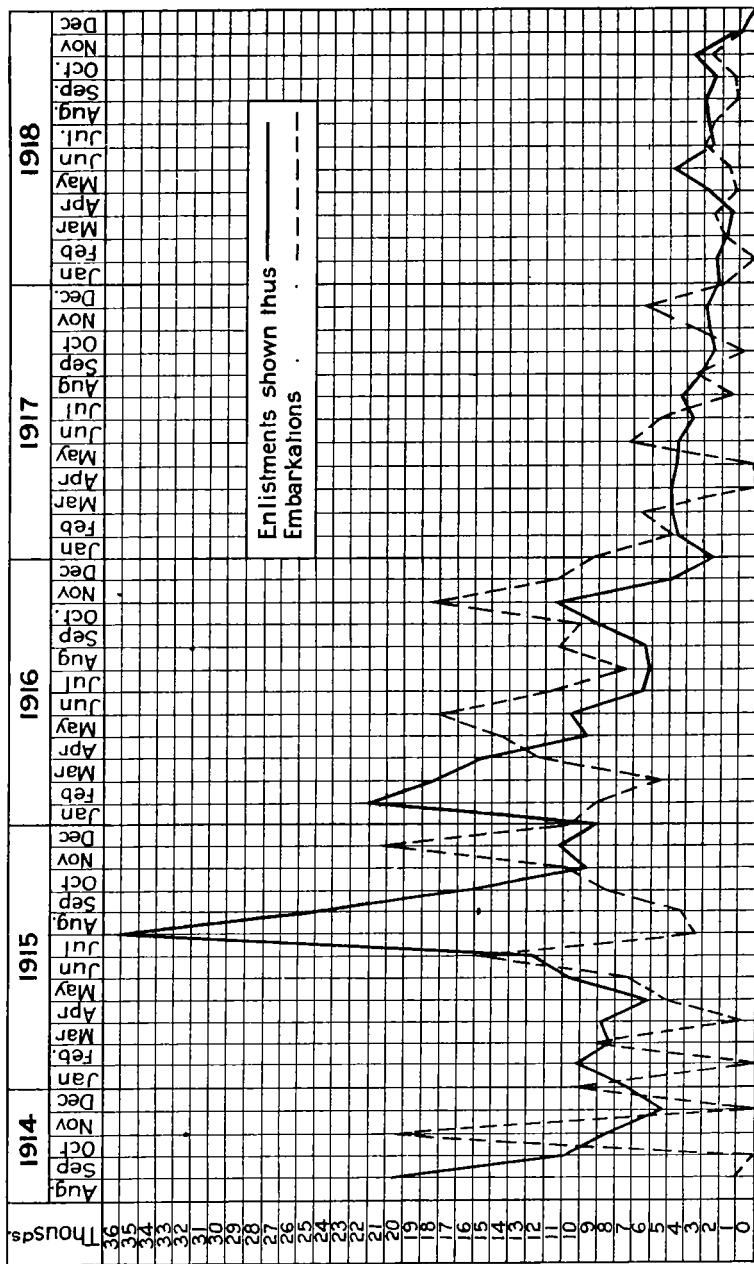
⁵ Hon. A. E. Solomon. M.H.A., Tasmania, 1909/14; Premier, 1912/14. Barrister; of Launceston, Tas.; b. Longford, Tas., 7 March, 1876. Died, 5 Oct., 1914.

APPENDIX No. 3.
TABLE SHOWING ENLISTMENTS PER MONTH
FROM EACH STATE

	Q'land.	N.S.W.	Vic.	S. Aust.	W. Aust.	Tas.	Total.
1914—							
August ..	1,481	20,761. Figures by months not available	6,326	2,012	4,096. Figures by months not available	981	52,561
September	1,556		2,929	921		487	
October .	1,386		2,512	493		167	
November	673		1,366	658		163	
December	1,054		1,714	728		97	
1915—							
January ..	1,937	3,969	2,478	1,364	206	271	10,225
February	1,248	4,108	2,013	594	142	265	8,370
March .	1,054	3,957	2,041	658	1,018	185	8,913
April ..	772	3,482	1,201	360	208	227	6,250
May ..	1,069	5,654	1,735	1,062	689	317	10,526
June ..	1,267	5,279	3,381	1,394	806	378	12,505
July ..	2,197	8,961	21,698	1,453	1,485	781	36,575
August ..	3,013	12,991	3,983	2,705	1,903	1,119	25,714
September	3,569	6,911	2,331	1,651	1,385	724	16,571
October .	2,417	3,797	1,531	1,020	785	364	9,914
November	2,017	5,880	1,429	607	961	336	11,230
December	1,943	4,364	1,291	729	642	150	9,119
1916—							
January ..	3,886	8,753	5,043	1,981	1,933	505	22,101
February	2,835	4,240	7,536	1,386	1,978	533	18,508
March ..	2,059	4,320	5,585	1,011	1,743	879	15,597
April ..	1,600	3,218	2,571	890	1,078	519	9,876
May ..	1,404	4,187	2,887	870	910	398	10,659
June ..	1,083	2,275	1,581	430	872	341	6,582
July ..	864	2,405	1,302	469	872	258	6,170
August ..	744	2,780	1,247	690	604	280	6,345
September	1,719	3,195	2,331	1,009	661	410	9,325
October ..	2,238	3,656	2,481	938	1,195	1,012	11,520
November	911	2,039	750	182	738	435	5,055
December	402	1,100	564	187	261	103	2,617

	Q'land.	N.S.W.	Vic.	S. Aust.	W. Aust.	Tas.	Total.
1917—							
January ..	716	1,858	1,084	353	448	116	4,575
February	703	1,657	1,499	502	393	170	4,924
March ..	728	1,842	1,159	505	582	173	4,989
April ..	636	1,927	1,014	406	527	136	4,646
May ..	587	1,746	1,139	401	548	155	4,576
June ..	452	1,459	888	358	422	100	3,679
July ..	461	1,906	960	379	354	95	4,155
August ..	518	1,123	879	415	208	131	3,274
September	312	1,026	619	278	141	84	2,460
October ..	326	1,092	771	251	172	149	2,761
November	300	1,349	704	234	101	127	2,815
December	326	918	610	216	93	84	2,247
1918—							
January ..	283	932	730	134	148	117	2,344
February	265	753	534	159	108	99	1,918
March ..	169	613	457	142	56	81	1,518
April ..	269	1,501	624	206	68	113	2,781
May ..	432	2,614	1,206	405	119	112	4,888
June ..	294	1,374	459	212	80	121	2,540
July ..	295	1,260	800	179	87	120	2,741
August ..	325	1,467	688	203	106	170	2,959
September	289	1,122	644	176	96	124	2,451
October ..	458	1,707	902	288	137	127	3,619
November	163	502	192	105	66	96	1,124
Totals ..	57,705	164,030	112,399	34,959	32,231	15,485	416,809

APPENDIX No. 4.



GRAPH SHOWING ENLISTMENTS AND EMBARKATIONS.

APPENDIX No. 5

ENLISTMENTS BY STATES WITH PERCENTAGE TO TOTAL POPULATION AND TO MALES AGED 18 TO 44

State	Enlistments.	Approximate percentages	
		to total population	to males aged 18 to 44
Queensland	57,705	8.5	37.7
New South Wales	164,030	8.8	39.8
Victoria	112,399	7.9	38.6
South Australia	34,959	8.0	37.6
Western Australia	32,231	9.9	37.5
Tasmania	15,485	7.9	37.8
Total	416,809	8.5	38.7

APPENDIX No. 6

OCCUPATIONS OF MEMBERS OF THE A.I.F.

Professional	15,719
Clerical	24,346
Tradesmen	112,452
Labourers	99,252
Country callings	57,430
Seafaring	6,562
Miscellaneous	14,122
Nurses	2,063

APPENDIX No. 7

COMPARISON OF CASUALTIES

The Australian casualties were higher in proportion to their numbers than those of any other portion of the British forces. This was probably due to the fact that the Australians were nearly all "front line" troops, engaged throughout the war in heavy fighting. The table given in *Volume I, p. 548*, showed the percentage of casualties to total enlistments. In that table the percentage of Canadian and New Zealand casualties was low since a large proportion of the troops enlisted there under the conscriptive system never left their home country. The following table, showing percentage of casualties to troops embarked, therefore gives a more useful basis. In the case of the British Isles, the number of embarked troops is estimated at a probable figure. The figures for casualties here shown are as corrected in 1921.

Country	Total Casualties	Total Embarkations	Percentage
British Isles	2,535,424	5,000,000	50.71
Canada	210,100	422,405	49.74
Australia	215,585	331,781	64.98
New Zealand	58,526	98,950	59.01
India (native)	140,015	1,096,013	12.77

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Australia	215,585	331,781	64.98
New Zealand	58,526	98,950	59.01
India (native)	140,015	1,096,013	12.77

APPENDIX No. 8

PARTICULARS OF WAR LOANS RAISED BY THE COMMONWEALTH IN AUSTRALIA

State	1st Loan (1915)		2nd Loan (1916)		3rd Loan (1916)		4th Loan (1917)		5th Loan (1917)	
	No. of Appli- cants	Amount £	No. of Appli- cants	Amount £	No. of Appli- cants	Amount £	No. of Appli- cants	Amount £	No. of Appli- cants	Amount £
New South Wales	5,173	5,593,200	9,185	10,424,990	34,260	10,622,980	26,492	9,786,790	13,256	8,340,420
Victoria	8,825	5,231,330	11,931	7,193,930	46,015	8,484,920	20,604	7,283,220	17,380	8,704,300
Queensland	2,006	1,184,170	2,611	1,777,860	7,356	1,858,220	5,827	1,945,730	4,201	1,873,800
South Australia	1,546	875,750	2,741	1,315,210	7,454	1,481,280	7,065	1,493,250	4,018	1,510,950
Western Australia	548	235,180	1,395	504,130	3,775	638,710	4,621	692,450	1,931	355,460
Tasmania	650	359,810	1,078	439,520	3,135	499,530	2,835	382,190	1,221	428,760
Totals	18,748	13,389,440	28,941	21,655,640	101,965	23,585,640	67,444	21,583,630	41,707	21,213,690

State	6th Loan (1918)		7th Loan (1918)		8th (1st Peace) Loan (1919)		9th (and Peace) Loan (1920)		10th (Diggers') Loan (1921)	
	No. of Appli- cants	Amount £	No. of Appli- cants	Amount £	No. of Appli- cants	Amount £	No. of Appli- cants	Amount £	No. of Appli- cants	Amount £
New South Wales	76,679	20,578,590	83,906	16,729,440	25,164	8,360,420	18,882	9,453,870	11,160	4,022,400
Victoria	28,598	12,293,660	73,814	14,029,750	36,743	8,225,200	21,888	9,038,640	8,492	3,328,930
Queensland	15,341	4,863,770	39,401	6,061,540	11,763	3,320,440	8,612	3,338,550	3,510	1,022,460
South Australia	14,700	3,146,450	23,787	4,317,810	13,657	2,914,470	6,618	2,478,350	3,399	917,170
Western Australia	4,886	996,330	9,608	1,562,160	4,756	1,115,250	2,979	1,234,340	1,948	477,950
Tasmania	3,666	1,064,920	11,694	1,355,800	4,689	1,089,540	2,570	1,068,810	960	318,030
Totals	143,870	42,943,720	242,210	44,056,500	96,772	25,025,320	61,549	26,612,560	29,469	10,086,940

PARTICULARS OF WAR LOANS RAISED BY THE COMMONWEALTH IN AUSTRALIA—continued.

State	War Gratuity Redemption and Conversion Loan (1924)		War Savings Certificates		War Savings Stamps ¹	
	No. of Applicants	Amount £ s. d.	Amount £ s. d.	Amount £ s. d.		
New South Wales	10,983	6,158,079 9 7	1,698,485 7 0	5,938 5 6		
Victoria	15,338	5,886,706 18 2	1,981,859 11 0	4,368 9 9		
Queensland	6,187	2,182,965 12 5	1,163,209 8 6	2,180 3 3		
South Australia	4,345	1,532,270 7 11	689,203 13 0	1,410 7 0		
Western Australia	3,904	1,186,559 14 11	556,475 16 0	950 18 9		
Tasmania	2,300	801,011 15 10	373,279 16 0	588 16 0		
Totals	43,957	17,747,593 18 10	6,462,513 11 6	15,437 0 3		

SUMMARY.²

State	No. of Applicants	Amount of Subscriptions
New South Wales	315,140	£ 111,685,603 2 1
Victoria	289,628	91,686,814 18 11
Queensland	106,785	30,594,895 4 2
South Australia	89,330	22,673,574 7 11
Western Australia	40,051	9,555,946 9 8
Tasmania	34,798	8,181,790 7 10
Totals	875,732	274,378,624 10 7

¹ The gross return received from the sale of stamps was £174,520 17s. 6d., but, as the great majority of these were converted into certificates and are consequently included in the figures under that heading, the amounts shown for stamps represent only those not so converted.

² The number of applicants for war savings certificates and stamps are not shown in this summary, although the amounts subscribed by them are included.

APPENDIX No. 9.

ARTICLE XXII OF THE COVENANT OF THE LEAGUE OF NATIONS (PROVIDING FOR MANDATES).

To those colonies and territories which as a consequence of the late war have ceased to be under the sovereignty of the States which formerly governed them and which are inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world, there should be applied the principle that the well-being and development of such peoples form a sacred trust to civilization, and that securities for the performance of this trust should be embodied in this Covenant.

The best method of giving practical effect to this principle is that the tutelage of such peoples should be entrusted to advanced nations who, by reason of their resources, their experience, or their geographical position, can best undertake this responsibility, and who are willing to accept it, and that this tutelage should be exercised by them as Mandatories on behalf of the League.

The character of the mandate must differ according to the stage of the development of the people, the geographical situation of the territory, its economic conditions, and other similar circumstances.

(A) Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognized, subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of the Mandatory.

(B) Other peoples, especially those of Central Africa, are at such a stage that the Mandatory must be responsible for the administration of the territory under conditions which will guarantee freedom of conscience and religion, subject only to the maintenance of public order and morals, the prohibition of abuses such as the slave trade, the arms traffic, and the liquor traffic, and the prevention of the establishment of fortifications or military and naval bases and of military training of the natives for other than police purposes and the defence of territory, and will also secure equal opportunities for the trade and commerce of other Members of the League.

(C) There are territories, such as South-West Africa and certain of the South Pacific Islands, which, owing to the sparseness of their population, or their small size, or their remoteness from the centres of civilization, or their geographical contiguity to the territory of the Mandatory, and other circumstances, can be best administered under the laws of the Mandatory as integral portions of its territory, subject to the safeguards above mentioned in the interests of the indigenous population.

In every case of mandate, the Mandatory shall render to the Council an annual report in reference to the territory committed to its charge.

The degree of authority, control, or administration to be exercised by the Mandatory shall, if not previously agreed upon by the Members of the League, be explicitly defined in each case by the Council.

A permanent Commission shall be constituted to receive and examine the annual reports of the Mandatories and to advise the Council on all matters relating to the observance of the mandates.

APPENDIX No. 10

MANDATE FOR THE GERMAN POSSESSIONS IN THE PACIFIC OCEAN SITUATED SOUTH OF THE EQUATOR OTHER THAN GERMAN SAMOA AND NAURU

The Council of the League of Nations:

Whereas by article 119 of the Treaty of Peace with Germany signed at Versailles on the 28th June, 1919, Germany renounced in favour of the Principal Allied and Associated Powers all her rights over her overseas possessions, including therein German New Guinea and the groups of islands in the Pacific Ocean lying south of the equator other than German Samoa and Nauru; and

Whereas the Principal Allied and Associated Powers agreed that, in accordance with Article 22, Part I (Covenant of the League of Nations), of the said treaty, a mandate should be conferred upon His Britannic Majesty, to be exercised on his behalf by the Government of the Commonwealth of Australia, to administer New Guinea and the said islands, and have proposed that the mandate should be formulated in the following terms; and

Whereas His Britannic Majesty, for and on behalf of the Government of the Commonwealth of Australia, has agreed to accept the mandate in respect of the said territory and has undertaken to exercise it on behalf of the League of Nations in accordance with the following provisions; and

Whereas, by the aforementioned article 22, paragraph 8, it is provided that the degree of authority, control or administration to be exercised by the mandatory, not having been previously agreed upon by the members of the League, shall be explicitly defined by the Council of the League of Nations:

Confirming the said mandate, defines its terms as follows:

ARTICLE 1

The territory over which a mandate is conferred upon His Britannic Majesty for and on behalf of the Government of the Commonwealth of Australia (hereinafter called the mandatory) comprises the former German colony of New Guinea and the former German islands situated in the Pacific Ocean and lying south of the equator, other than the islands of the Samoan group and the island of Nauru.

ARTICLE 2

The mandatory shall have full power of administration and legislation over the territory subject to the present mandate as an integral portion of the Commonwealth of Australia, and may apply the laws of the Commonwealth of Australia to the territory, subject to such local modifications as circumstances may require.

The mandatory shall promote to the utmost the material and moral well-being and the social progress of the inhabitants of the territory subject to the present mandate.

ARTICLE 3

The mandatory shall see that the slave trade is prohibited, and that no forced labour is permitted, except for essential public works and services, and then only for adequate remuneration.

The mandatory shall also see that the traffic in arms and ammunition is controlled in accordance with principles analogous to those laid down in the convention relating to the control of the arms traffic, signed on the 10th September, 1919, or in any convention amending the same.

The supply of intoxicating spirits and beverages to the natives shall be prohibited.

ARTICLE 4

The Military training of the natives, otherwise than for purposes of internal police and the local defence of the territory, shall be prohibited. Furthermore, no military or naval bases shall be established or fortifications erected in the territory

ARTICLE 5

Subject to the provisions of any local law for the maintenance of public order and public morals, the mandatory shall ensure in the territory freedom of conscience and the free exercise of all forms of worship, and shall allow all missionaries, nationals of any State member of the League of Nations, to enter into, travel and reside in the territory for the purpose of prosecuting their calling.

ARTICLE 6

The mandatory shall make to the Council of the League of Nations an annual report to the satisfaction of the Council, containing full information with regard to the territory, and indicating the measures taken to carry out the obligations assumed under articles 2, 3, 4 and 5.

ARTICLE 7

The consent of the Council of the League of Nations is required for any modification of the terms of the present mandate.

The mandatory agrees that, if any dispute whatever should arise between the mandatory and another member of the League of Nations relating to the interpretation or the application of the provisions of the mandate, such dispute, if it cannot be settled by negotiation, shall be submitted to the Permanent Court of International Justice provided for by article 14 of the Covenant of the League of Nations.

The present declaration shall be deposited in the archives of the League of Nations. Certified copies shall be forwarded by the Secretary-General of the League of Nations to all Powers signatories of the Treaty of Peace with Germany.

Made at Geneva the 17th day of December, 1920.

APPENDIX No. 11

MANDATE FOR NAURU

The Council of the League of Nations:

Whereas by article 119 of the Treaty of Peace with Germany signed at Versailles on the 28th June, 1919, Germany renounced in favour of the Principal Allied and Associated Powers all her rights over her overseas possessions, including therein Nauru; and

Whereas the Principal Allied and Associated Powers agreed that, in accordance with article 22, Part I (Covenant of the League of Nations) of the said treaty, a mandate should be conferred upon His Britannic Majesty to administer Nauru, and have proposed that the mandate should be formulated in the following terms; and

Whereas His Britannic Majesty has agreed to accept a mandate in respect of Nauru and has undertaken to exercise it on behalf of the League of Nations in accordance with the following provisions; and

Whereas, by the aforementioned article 22, paragraph 8, it is provided that the degree of authority, control or administration to be exercised by the mandatory, not having been previously agreed upon by the members of the League, shall be explicitly defined by the Council of the League of Nations:

Confirming the said mandate, defines its terms as follows:

ARTICLE 1

The territory over which a mandate is conferred upon His Britannic Majesty (hereinafter called the mandatory) is the former German island of Nauru (Pleasant Island, situated in about 167° longitude east and 0° 25' latitude south).

ARTICLE 2

The mandatory shall have full power of administration and legislation over the territory subject to the present mandate as an integral portion of his territory.

The mandatory shall promote to the utmost the material and moral well-being and the social progress of the inhabitants of the territory subject to the present mandate.

ARTICLE 3

The mandatory shall see that the slave trade is prohibited, and that no forced labour is permitted, except for essential public works and services, and then only for adequate remuneration.

The mandatory shall also see that the traffic in arms and ammunition is controlled in accordance with principles analogous to those laid down in the convention relating to the control of the arms traffic, signed on the 10th September, 1919, or in any convention amending the same.

The supply of intoxicating spirits and beverages to the native: shall be prohibited.

ARTICLE 4

The military training of the natives, otherwise than for purposes of internal police and the local defence of the territory, shall be prohibited. Furthermore, no military or naval bases shall be established or fortifications erected in the territory.

ARTICLE 5

Subject to the provisions of any local law for the maintenance of public order and public morals, the mandatory shall ensure in the territory freedom of conscience and the free exercise of all forms of worship, and shall allow all missionaries, nationals of any State member of the League of Nations, to enter into, travel and reside in the territory for the purposes of prosecuting their calling.

ARTICLE 6

The mandatory shall make to the Council of the League of Nations an annual report to the satisfaction of the Council, containing full information with regard to the territory, and indicating the measures taken to carry out the obligations assumed under articles 2, 3, 4 and 5

ARTICLE 7

The consent of the Council of the League of Nations is required for any modification of the terms of the present mandate.

The mandatory agrees that, if any dispute whatever should arise between the mandatory and another member of the League of Nations relating to the interpretation or the application of the provisions of the mandate, such dispute, if it cannot be settled by negotiation, shall be submitted to the Permanent Court of International Justice provided for by article 14 of the Covenant of the League of Nations.

The present declaration shall be deposited in the archives of the League of Nations. Certified copies shall be forwarded by the Secretary-General of the League of Nations to all Powers signatories of the Treaty of Peace with Germany.

Made at Geneva the 17th day of December, 1920.

APPENDIX No. 12

AUSTRALIAN PATRIOTIC FUNDS IN THE WAR OF 1914-1918

(NOTE: The sums here set down are those raised in money. It has not been attempted to estimate the total values of gifts in kind.)

NEW SOUTH WALES¹

(Population in 1914—1,861,522)

Lord Mayor's Fund	..	..	..	339,110
Belgian Relief Fund	..	..	..	690,933
French Relief Fund	..	..	..	329,011
Polish Relief Fund	..	..	..	106,281
Serbian and Montenegrin Fund	..	..	..	54,199
Red Cross Society	..	..	..	407,234
Australia Day	..	..	..	839,550
Australia Day (Amelioration Committee)	..	..	..	37,389
Chamber of Commerce War Food	..	..	..	110,659
Citizens' War Chest	..	..	..	565,051
Tanned Sheepskin Clothing	..	..	..	41,516
Y.M.C.A.	..	..	..	304,783
Pastoralists' Union	..	..	..	28,490
Anzac Day	..	..	..	12,326
Air Squadron Fund (N.S.W.)	..	..	..	82,645
Repatriation	..	..	..	33,300
State War Council	..	..	..	43,445
Italian Red Cross	..	..	..	67,577
Miscellaneous	..	..	..	152,318
Australian Red Cross Day 1918	..	..	..	430,393
Edith Cavell Memorial	..	..	..	16,399
Jack's Day	..	..	..	162,441
A.I.F. Memorial	..	..	..	56,170
Total	..	..	..	<u>£4,911,453</u>

¹ Date of statement—31 Dec., 1919.

APPENDIX—*continued*VICTORIA²

(Population in 1914—1,430,667)

	£
Australian Patriotic Fund	195,640
Australian Comforts Fund .. .	189,778
Y.M.C.A. National Appeal	216,000
Victorian Division Red Cross Society (including British Red Cross Society)	854,283
French Red Cross Society	207,233
French Société Maternelle Fund .. .	20,832
Belgian Relief Fund	327,095
Serbian Relief Fund	29,090
Polish Relief Fund	7,557
Syrian Relief Fund	3,969
Russian Relief Fund	8,670
Armenian Relief Fund	7,278
Italian Red Cross Society	22,218
State War Council Fund	200,000
Anzac Club and Buffet—Ada Reeves appeal A.N.A. appeal	7,282 737
Salvation Army War Relief Fund	15,056
Union Jack Rest Rooms	3,752
Church of England League of Soldiers' Friends ..	12,416
St. Andrew's Soldiers' Club	896
Australian Women's National League War Fund ..	24,584
Commonwealth Button Fund	226,378
Commonwealth Service Patriotic Fund	7,120
State Service Patriotic Fund	34,476
Railway Department Patriotic Fund	38,186
Education Department Patriotic Fund	390,337
Victoria Racing Club Patriotic Fund	84,614
Victoria Amateur Turf Club's Patriotic Fund ..	49,209
Williamstown Racing Club's Patriotic Fund ..	14,780
Repatriation Fund Race Meeting and Donations ..	22,405
Edith Cavell Fund	9,420
Purple Cross Fund	8,393
Overseas Club—Appeal for tobacco for troops ..	16,132
Belgian Nuns' Fund	4,992
Belgian Meat Fund	3,850
Other Funds	29,615
Total	<u>£3,294,273</u>

² Date of statement—31 Dec., 1918.

QUEENSLAND ³					
(Population in 1914—676,707)					£
Red Cross Fund .. .. .	..	..	..	..	394,565
Wounded Soldiers Fund .. .. .	..	..	..	..	354,295
Fund for Relief of Dependants of Q'land Soldiers ..	..	..	..	..	293,531
Patriotic Funds .. .. .	..	..	..	..	235,496
Belgian Funds .. .. .	..	..	..	..	211,949
Sock and Comfort Fund .. .. .	..	..	..	..	202,756
Allies Cities .. .. .	..	..	..	..	135,792
Y.M.C.A. Appeal .. .. .	..	..	..	..	88,632
Anzac Cottages Fund .. .. .	..	..	..	..	68,532
Foodstuffs Fund .. .. .	..	..	..	..	68,366
Church of England Help Society .. .. .	..	..	..	..	32,772
Jack's Day .. .. .	..	..	..	..	25,000
War Councils .. .. .	..	..	..	..	27,757
Xmas Billycans and Cheer Fund .. .. .	..	..	..	..	21,527
Soldiers' Memorial Funds .. .. .	..	..	..	..	18,274
Franco-Q'land League of Help .. .. .	..	..	..	..	16,219
Franco-British League of Help .. .. .	..	..	..	..	15,018
French Red Cross Fund .. .. .	..	..	..	..	10,812
War Nurses Fund .. .. .	..	..	..	..	10,760
R.S.S.I.L.A. .. .. .	..	..	..	..	8,522
Scottish Women's Hospital Fund .. .. .	..	..	..	..	7,136
Overseas Tobacco Fund .. .. .	..	..	..	..	6,566
Travelling Kitchens Fund .. .. .	..	..	..	..	4,905
Soldiers Rest and Recreation Rooms .. .. .	..	..	..	..	4,127
Nurses Equipment Fund .. .. .	..	..	..	..	3,983
Australian Air Squadron .. .. .	..	..	..	..	3,335
Sheepskin Vests Fund .. .. .	..	..	..	..	3,159
Milk for Babies Fund .. .. .	..	..	..	..	3,109
Repatriation Fund .. .. .	..	..	..	..	2,834
Serbian Fund .. .. .	..	..	..	..	2,812
Anzac Club .. .. .	..	..	..	..	2,593
Sugar Fund .. .. .	..	..	..	..	2,513
Montenegrin Fund .. .. .	..	..	..	..	2,303
Motor Ambulance Fund .. .. .	..	..	..	..	2,208
Spinning Club .. .. .	..	..	..	..	2,101
Poles Fund .. .. .	..	..	..	..	2,099
Soldiers' Industrial Institute .. .. .	..	..	..	..	1,256
French League of Help .. .. .	..	..	..	..	1,247
Sandbag League .. .. .	..	..	..	..	961
Bands Fund .. .. .	..	..	..	..	956
War Horses Fund .. .. .	..	..	..	..	856
St. John Ambulance Fund .. .. .	..	..	..	..	431
Equipment Expeditionary Forces .. .. .	..	..	..	..	357
Babies of the Allies Fund .. .. .	..	..	..	..	347
Italian Red Cross Fund .. .. .	..	..	..	..	115
Distinguished Conduct Fund .. .. .	..	..	..	..	62
Armenian Fund .. .. .	..	..	..	..	24
Total .. .. .	..	..	..	..	£2,302,970

³ The figures for this State were supplied by the Auditor-General, Q'land, in 1934, but cover only the period 1914-20

SOUTH AUSTRALIA⁴

(Population in 1914—441,690)

	£
S. A. Soldiers' Fund (General)	504,295
S. A. Soldiers' Fund (Insurance)	119,111
Mayor's Patriotic Fund	58,561
Belgian Relief Fund	144,225
Serbian Relief Fund	3,738
British Red Cross Society	256,465
French Red Cross Society	22,527
Central Comforts Fund	72,166
Central Comforts Fund (Xmas Gifts)	12,651
Branch Comforts Funds	33,156
Y.M.C.A. Army Department	199,185
Australian Soldiers' Repatriation Fund	37,722
Local Repatriation Committees	11,000
Australian Wattle Day League	14,264
Cheer-up Society	66,462
Children's Patriotic Fund	73,615
Returned Soldiers' Assn. Bldg. Appeal	36,385
Navy League	20,120
Army Nurses' Fund	10,960
Soldiers' Home League	12,850
Public Service Assn. Patriotic Fund	17,113
School Teachers' Patriotic Fund	9,013
War Tank Demonstration	4,241
Anzac Hospitality Fund	7,142
Other Patriotic Funds	47,281
Total	<u>£1,794,248</u>

⁴ Date of statement—6 Feb., 1920.

WESTERN AUSTRALIA⁵

(Population in 1914—323,018)

	£
Red Cross Funds	259,015
Soldiers' Parcels & Packets	228,617
War Patriotic Funds	171,588
Y.M.C.A. War Work	79,140
Sick & Wounded (Australia Day)	76,191
Victoria League (French Comforts)	60,850
Victoria League (Other)	47,538
Belgian Relief Funds	49,949
Queen Carnival	38,796
Ugly Men's Voluntary Workers' Association	62,222
War & Unemployment Distress Relief	21,000
Sailors & Soldiers Welcome Funds, etc.	25,004
War Munitions Co. of W.A.	20 000
Motor Ambulance, etc	11,098
Sandbag Fund	6,523
Civil Servants War Distress Fund, etc.	6,382
Other Funds (not specified)	16,737
Total	<u>£1,188,650</u>

⁵ Date of statement—31 Dec., 1920.

TASMANIA⁶

(Population in 1914—201,416)

	£
Southern Red Cross	63,369
Northern Red Cross	50,877
Belgian Relief Fund (South)	27,909
Belgian Children's Fund (South)	860
Mayor of Launceston's Belgian Fund	28,936
Belgian Children's Fund (North)	1,111
Belgian Red Cross and Emergency Fund	413
On Active Service Fund	32,495
Mayor of Hobart's Patriotic Fund	13,377
Mayor of Launceston's Patriotic Fund	12,087
Disabled Tasmanian Soldiers' Fund (South)	5,713
Mayor of Launceston's Wounded Soldiers' Fund	1,513
Y.M.C.A. Field Service	23,686
French Red Cross	11,304
Serbian Relief Fund (South)	570
Serbian Relief Fund (North)	567
Returned Sailors' and Soldiers' Club, Hobart	6,600
Anzac Memorial Hostel, Launceston	8,379
A.I.F. Lounge, Hobart	2,670
40th Battalion Comforts Fund	1,257
12th Battalion Comforts Fund	640
Australian Mining Corps Comforts Fund	559
Overseas Club Tobacco Funds	2,682
Returned Wounded and Invalided Soldiers' Fund (Southern Sporting Bodies)	630
Purple Cross Fund (South)	1,044
Purple Cross Fund (North)	835
Navy Day, 1917 (South)	3,256
Our Sailors' Day Fund (North)	2,875
Blue Cross Fund (North)	229
Tobacco Fund (North)	638
Motor Ambulance (North)	1,027
Band Instruments, 40th Battalion	375
Naval Gifts (North)	388
Travelling Kitchens (North)	364
Plum Pudding Fund (North)	192
Star and Garter Hostel (North)	129
Anzac Buffet, London (North)	449
Royal Australian Navy Day (North)	702
Grand Total	<u>£310,707</u>

⁶ Date of statement—14 Oct., 1919.

APPENDIX No. 13. SUMMARY OF WAR PENSIONS

Year ended 30th June—	Pensions Granted.	Claims Rejected	Pensions in Force				Total.	Amount paid in Pensions.	Average fortnightly Rate of Pension												Annual Liability on last Day of Financial Year.	Cost of Administration.	Cost of Administration in proportion to every £100 of Pensions paid.
			Incapped of Members of the Forces		Dependants of Incapped Members.	Dependants of Deceased Members			Incapped Members.			Dependants.			All Pensioners								
			£	d.					s.	£	d.	s.	£	d.	s.	£	d.	s.	£	d.				s.
1916	9,054	1,732	3,025	1,415	4,314	8,754	137,920*	2	7	3	95	1	4	6	34	1	12	4	80	368,800	10,187	7	9
1917	38,360	5,438	15,916	11,264	18,011	45,191	1,212,632*	2	1	2	69	1	2	10	97	1	9	4	36	1,725,022	38,190	3	0
1918	71,939	11,163	40,702	32,154	37,318	110,174	2,772,077*	1	16	5	10	1	3	32	1	6	10	47	3,881,884	61,146	4	1	
1919	82,938	12,644	71,512	59,581	50,436	181,529	4,828,072*	1	10	0	58	0	18	11	81	3	4	1	5,598,568	97,788	0	6	
1920	60,661	5,617	90,389	86,448	48,743	225,580	5,872,770*	1	6	9	17	0	17	3	06	1	0	83	6,178,692	118,619	0	5	
1921	25,983	3,388	79,491	93,995	49,051	222,537	7,386,842*	1	13	10	14	0	18	5	40	1	3	10	85	6,915,454	152,732	2	1
1922	17,560	2,064	76,249	102,046	47,077	225,372	7,028,377*	1	13	1	32	0	18	0	74	3	1	81	6,783,426	170,049	2	8	
1923	16,529	2,005	74,592	111,828	45,635	232,155	7,134,967*	1	13	8	25	0	17	10	70	2	1	68	6,933,576	149,584	2	1	
1924	14,166	1,733	72,760	120,188	43,813	236,761	7,090,815	1	14	6	71	0	17	1	21	2	5	00	6,915,038	144,762	0	10	
1925	15,258	1,964	72,128	129,702	42,767	244,597	7,146,864	1	15	1	25	0	16	9	15	2	1	48	7,050,076	148,349	2	6	
1926	14,826	1,878	72,128	139,477	41,004	252,609	7,347,246	1	16	1	89	0	16	3	79	1	10	79	7,217,704	155,123	2	3	
1927	13,323	2,518	72,388	147,568	39,865	259,821	7,558,559	1	16	7	06	0	16	0	88	1	9	93	7,372,768	180,610	2	9	
1928	13,547	1,826	72,667	155,809	38,104	266,670	7,690,890	1	16	10	83	0	15	10	29	1	7	11	7,485,582	183,178	2	8	
1929	12,857	1,044	73,436	163,013	36,182	272,631	7,734,921	1	17	6	40	0	15	7	98	1	6	69	7,639,814	140,128	1	6	
1930	13,650	1,257	74,578	170,437	34,270	279,285	7,919,476	1	17	9	74	0	15	4	72	1	4	56	7,762,508	172,047	2	3	
1931	11,555	920	75,316	172,389	35,617	283,322	7,996,180	1	17	8	05	0	15	1	34	1	1	30	7,774,806	178,249	2	4	
1932	5,592	776	75,646	166,846	31,619	274,111	7,440,188	1	17	11	34	0	12	5	67	0	19	6	03	6,949,540	152,281	2	0
1933	2,603	664	75,244	164,268	30,298	269,810	6,925,830	1	17	9	77	0	12	5	99	0	19	6	71	6,860,516	142,667	2	1
1934	2,792	609	75,037	162,198	29,719	266,954	7,048,592	1	17	11	35	0	13	6	06	1	0	4	50	7,071,168	149,404	2	5
1935	4,174	1,869	74,095	158,787	30,276	264,061	7,360,557	1	18	10	14	0	14	6	00	1	4	97	7,451,188	149,404	2	5	

* Includes payments made from Trust Fund, War Pensions Account, on behalf of other Countries, less recoveries.
† The figures given in this column are only approximate, and are no longer compiled.

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